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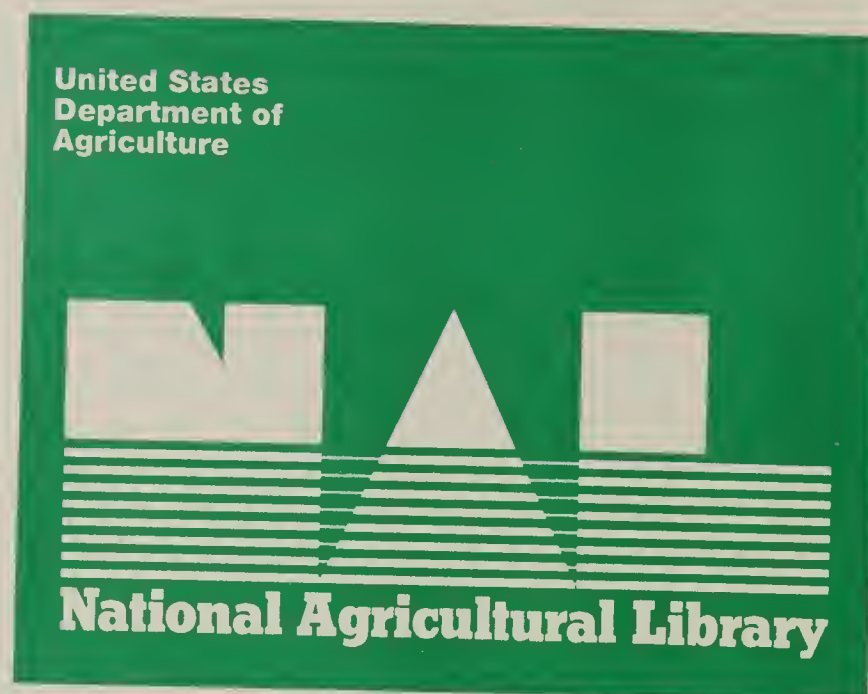
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Abstract

The globalization of markets and rapid changes in technology during the 1980's both heightened international competition and created new opportunities. The high-tech, high innovation "New Economy" of the 1980's was an urban economy, requiring access to information and highly specialized services. Earnings rose for the better-educated in urban, but not in rural areas, over the decade. Some of the forces acting to centralize the economy were clearly economic or related to industrial organization; others were demographic, related to the size and characteristics of the cohort entering the labor force; and others were related to a shift in federal influence on local policy and federal distribution of funds. The inner city and rural areas fared most poorly in the newly deregulated environment, while suburban nodes expanded. Metro-nonmetro and regional inequalities are parts of a larger post-industrial process that is widening the economic gap between specific groups. The past decade has made clear that remoteness and small size have continuing importance to economic success.

Keywords: rural, nonmetro, population redistribution, economic development, spatial inequality, human capital, children, elderly, family structure, labor force.

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Preface

Introduction

Three overriding societal trends are affecting rural people and communities today: (1) increased societal differentiation and complexity, (2) increased societal interdependence, and (3) increased pace of change.

Increased differentiation and complexity is reflected by the diverse types of employment that now comprise rural and small city economies, by changes in the age, gender, and racial/ethnic composition of local populations, by the multitude of household and family living arrangements, and by changes in how land and other natural resources are used and by whom. Increased interdependence means that local affairs are often affected as much by State, national, and global circumstances and policies as by local needs. Technological advances in communication and transportation have reduced the "protection" of distance that once shielded rural communities from national and global events. Major environmental problems are less likely to be local in nature (pollution) and more likely to be regional or global (acid rain, global warming, ozone depletion). And, an increasingly complex web of State, national, and international laws, statutes, regulations, and mandates affects local businesses and communities.

The increased pace of social, economic, technological, and ecological change means that institutions have more difficulty adapting to alterations in their environments. The socioeconomic composition of the rural population is vastly different than it was even 10 years ago. The "half life" of an occupation is so brief that new workers entering the labor force can no longer think in terms of lifetime careers, but must have skills that permit rapid adaptation to radical changes in production processes and economic organization.

These wide ranging trends and changes have a profound impact on rural community structure and organization, on community sustainability, and on the quality of life. As a result, public policy concern has been directed toward the causes and consequences of the dramatic transformations of rural communities and economies that present opportunities for some people, create limitations for others, and make new adaptations necessary for all. Of all the social and economic transformations affecting rural well being, none has more wide ranging impacts than demographic change. Population dynamics affect social, economic, environmental, and political structures and in turn are affected by them. Both influenced by and influencing the course of community events, demographic structure and change interact with and mediate the impacts of national and global forces on rural regions and on individual rural communities. Accordingly, enhanced understanding of the determinants and outcomes of population dynamics will contribute to more informed policies for rural people and places.

Responding to this need for enhanced knowledge of rural population dynamics, the Aspen Institute's Rural Economic Policy Program, Cornell University's College of Agriculture and Life Sciences, and the Agriculture and Rural Economy Division of United States Department of Agriculture's Economic Research Service co-sponsored an international workshop entitled "Population Change and the Future of Rural America." The workshop was held May 30-June 1, 1991, at the Aspen Institute's Wye Woods Conference Center on Maryland's Eastern Shore. The workshop co-chairs wish to thank Susan Sechler (Aspen Institute), Brian Chabot (Cornell University), and Kenneth Deavers (USDA-ERS) for their enthusiastic support of the workshop and of this proceedings volume.

Purpose and Objectives

The purpose of the workshop, and of this proceedings volume, is to increase understanding of the role demographics play in rural development for developed nations. In particular, the objectives are:

- To examine the broad set of social and economic forces and demographic processes affecting rural regions and individual rural communities in developed nations in both the short and longer runs;
- To develop an understanding of the role population structure and dynamics play in mediating the effects of social and economic forces on rural regions and on individual rural communities in developed nations; and
- To develop an understanding of the effects of rural demographic trends and changes on community sustainability, economic vitality, family and individual well being, and policies and programs to enhance rural quality of life in developed nations.

The initial idea for the workshop was to celebrate Calvin Beale's contributions to rural demography as recognized in Peter Morrison's edited book of Calvin's writings, *A Taste of the Country*. It seemed fitting that, as we begin analyzing rural issues with data from the 1990 census, we celebrate Calvin's 40-year contribution to the field and ask him to share his wisdom on the next decade's work.

The workshop's timing in 1991 was propitious since data from the 1990 U.S. Census of Population and Housing were just becoming available for research. Accordingly, another of the workshop's principal aims was to provide social scientists and policymakers with guidance on needed rural demographic research during the 1990's. This proceedings volume furthers that aim by including complete documentation of the workshop's presentations and discussions.

Multidisciplinary Perspective

Demographic research can contribute to the development and understanding of rural policies, to equitable, effective planning and administration of rural programs, to more effective local governance, and to business and household decisions. The 1970's nonmetro population turnaround stimulated a strong multidisciplinary network of population scholars. The unprecedented flow of sociological, economic, geographic, political scientific, and regional scientific research resulting from their efforts made important contributions to the rural policy discussion of the 1970's and 1980's. With the collapse of the nonmetro economy and the net outmigration from nonmetro areas in the 1980's, research on rural population change thinned, just at a time when demographic implications of the changing rural position in the national and world economy needed to be better understood. The restructuring of U.S. manufacturing and the development of service industries are creating a new pattern of uneven development across regions. The demographic determinants and consequences of the restructuring are not well understood.

Rural demographers need to explore their joint interests with economists, geographers, regional scientists, political scientists, and others whose work is focused on the major altering of the historical pattern of economic growth that change in the national and world economy is to bring about. A multidisciplinary understanding of the interaction between broader social and economic

forces and the demographic processes of small areas results from such scholarly interchange and helps to position social scientists to contribute more to current debate on the likely outcomes of alternate rural development policies. The 1991 Wye Woods Workshop and this proceedings volume include contributions from a diverse, multidisciplinary group of social scientists working in universities, the Federal Government, private nonprofit research institutes, and foundations. These different perspectives enrich the agenda and enhance our ability to advance disciplinary knowledge and contribute to major public policy decisions. A list of workshop participants is included in Appendix 1.

Organization and Content of this Volume

This volume has three interrelated sections. The first section focuses on the continued importance of considering rural and urban residence in research and public policy in advanced industrialized nations. David Brown is concerned with theory and measurement of rural-urban differentiation in advanced industrial societies. He identifies a number of broad scale, interrelated societal trends that affect the economic, demographic, and social fortunes of rural areas. He concludes that the meaning of rurality in developed societies is open to question since we lack a coherent causal explanation of how the various trends--some of which are endogenous to individual rural and urban communities and economies, and some of which are exogenous factors that operate at the societal or global level--shape the changing position of rural areas in the national economy and social structure.

William Galston delineates the relationship between public policy and industrial structure, showing how this relationship has worked to the increasing disadvantage of rural areas. He emphasizes that the macro-level national and international trends that are buffeting the rural United States as a whole do not preclude local-area choices that foster local growth. Better community-level decisions can be made if local decisionmakers understand the national and international context in which the community must function economically.

William Alonso criticizes the utility of official statistical conventions of residence and the fact that rural and nonmetropolitan are residual categories largely lacking in substantive content. He proposes that we need to "begin a process of rethinking the human geography of well-to-do nations." In particular, he points out that the high degree of rural and urban interpenetration that characterizes social and economic lives today is essentially defined out of existence by dichotomous residence categories.

Ann Tickamyer is concerned with social scientists' inability to accurately portray the rural future in developed nations. Tickamyer contends that social scientists lack a "theory of space" to explain different levels of social and economic development between the rural and urban sectors of modern industrialized societies. She proposes a political-economic theory that conceptualizes uneven rural-urban development as a political process, and hence, rural problems as "the product of human agency as well as the outcome of larger forces."

The volume's second section is concerned with alternative explanations of the sources of uneven spatial development in developed nations. William Frey analyzes nonmetropolitan change from the perspective of the Nation's entire metropolitan and regional settlement system. He considers a mix of period, restructuring, and deconcentration influences and he concludes that large-scale population redistribution down the urban hierarchy is unlikely in the near future. Frey reminds us that reliance on resource-based and low-skill industries is not conducive to growth, and that resort and retirement development and exurban residential development are unlikely to reverse

long-term population concentration trends. Rather, he contends that economic diversification is the key to both rural and urban population growth and retention.

Lucy Gorham is concerned with the economic forces that have deteriorated rural wage rates and have increased rural-urban income inequality. She indicates that virtually everything that gave nonmetropolitan labor markets an economic advantage in the 1970's has reversed in the 1980's. Natural resource-based industries and manufacturing have experienced simultaneous slow downs, spreading reduced nonmetro employment growth throughout the Nation. As a result, regardless of gender, race, or age, low-wage employment has become increasingly concentrated in rural economies during the 1980's.

Susan Christopherson argues that to understand current spatial inequality we need to look at the changing role of the nation-state in interaction with changes in markets. She contends that the changing role of the nation-state has "fundamentally altered the environment for economic development at the subnational, state and local level." To buttress her claim, she describes how changes in the "rules of the game" have shifted the burden of provision of "social needs" to the local level and consequently have erected significant constraints to local economic development.

The final section includes a series of short papers proposing new directions for social science research on rural population change and development. Each paper identifies current information gaps, discusses unresolved substantive issues, and notes methodological and data base concerns. The authors identify important substantive areas for future research and policy issues to which information resulting from their research will contribute.

Conclusion

This volume has been prepared for both the users and creators of research-based social scientific information on population change and rural America's future. Our goal in organizing the Wye workshop and in editing this volume is to identify the highest priority research issues for rural demographics. We believe that this agenda should be shaped by both social issues and disciplinary concerns of the various social sciences. We hope that this volume will help sociologists, economists, geographers, regional scientists, and political scientists find a common set of issues on which to collaborate and a common ground with policymakers and program administrators with rural development responsibilities.

David Brown, Ithaca, NY
Linda Swanson, Washington, DC

Contents

Preface

David L. Brown and Linda L. Swanson ii

Conceptualizing Rural and Urban America in the 1990's

Is the Rural-Urban Distinction Still Useful for Understanding Structure and Change in Developed Societies?

David L. Brown 1

Rural America in the 1990's: Trends and Choices

William Galston 10

The Interpenetration of Rural and Urban America

William Alonso 23

The Uneven Spatial Development of Rural Sociology

Ann R. Tickamyer 29

Alternative Explanations of the Sources of Uneven Population Change in Contemporary America

Perspectives on Recent Demographic Change in Metropolitan and Nonmetropolitan America

William H. Frey 42

The Slowdown in Nonmetropolitan Development: The Impact of Economic Forces and the Effect on the Distribution of Wages

Lucy Gorham 60

Explaining the New Spatial Inequality: Regulatory Policy and Local Economic Capacity

Susan Christopherson 79

New Directions for Demographic Research on Rural Population Change and Development--Results of the Work Groups

Internal Migration and Population Redistribution: Issue Brief

Glenn V. Fuguitt 93

Internal Migration and Population Redistribution: Report from the Work Groups

Curtis C. Roseman 104

Demographic Change and the Human Capital Endowment of Rural America: Issue Brief

Ruy A. Teixeira 106

Demographic Change and the Human Capital Endowment of Rural America: Report from the Work Groups

Christine K. Ranney 112

Demographic and Socioeconomic Changes in Rural Children and Youth: Issue Brief
Carolyn C. Rogers 114

Demographic and Sociological Changes in Elderly Rural Americans: Issue Brief
Nina Glasgow 121

Demographic and Socioeconomic Changes of Rural Youth and the Elderly: Report from the Work Groups
Franklin Wilson 126

Family and Household Structure and Change in Rural America: Issue Brief
Tim B. Heaton 128

Demographic Aspects of the Changing Rural Labor Force: Issue Brief
Daniel T. Lichter 136

Demographic Aspects of the Changing Rural Labor Force: Report from the Work Groups
Molly Sizer Killian 151

U.S. Rural Demographic Trends and Issues in International Perspective: Issue Brief
Tony Champion 154

U.S. Rural Demographic Trends and Issues in International Perspective: Issue Brief
John Agnew 166

Summary
Linda L. Swanson and David A. McGranahan 171

Appendix 1 178

Conceptualizing Rural and Urban America in the 1990's

245

Is the Rural-Urban Distinction Still Useful for Understanding Structure and Change in Developed Societies?

David L. Brown

Introduction

The utility and validity of the rural-urban variable for analyzing social and economic change and intra-societal differentiation has been debated for over 100 years (Tonnies, 1887).¹ What purpose is served by raising the question again? My rationale is that the spatial structure of social and economic relationships in America (and in most developed nations) has changed so fundamentally during the past two decades that a reconsideration of the meaning (and measurement) of rurality in contemporary developed societies is justified. My purpose in this modest paper is to initiate such a discussion with a particular focus on the future. I will review some of the relevant scholarship (mostly sociological and anthropological) on rural-urban differentiation, identify the fundamental societal changes that call the continued validity of the conventional urban-rural distinction in developed nations into question, and propose some suggestions about how current residential concepts and operational definitions might be modified to enhance their usefulness for understanding the spatial aspects of structure and change in contemporary developed societies.

Current Knowledge on Rural-Urban Differences

Contemporary social scientific consideration of urban-rural differentiation within individual nation states was influenced by Ferdinand Tonnies' (1877) concepts of *gemeinschaft* and *gesellschaft*, and Emile Durkheim's (1933) delineation of mechanical and organic solidarity. These conceptual frameworks were originally proposed as general paradigms for comparing the level of development among nation-states, and for studying the history of development within individual nations. Numerous studies, many of an anthropological nature, were conducted (Redfield, 1947; Lewis, 1951; Sjoberg, 1952; Miner, 1957), which resulted in the conceptualization of an ideal type of folk society as contrasted with modern urbanized society, the notion of an urban-rural continuum rather than a simple dichotomy, the important observation that differentiation along this continuum is not necessarily linear, and a concern that theories of societal change involving rural-urban development are characterized by a high degree of western ethnocentricity (Hauser, 1965).

Interest in rural-urban differentiation within more developed nations followed naturally from this developmental perspective and was further encouraged by the recognition that rural social problems were an important concern for public policy. In the United States, for example, Theodore Roosevelt appointed a Country Life Commission in 1908 to investigate the issue. This high-level attention heightened interest by social scientists in studying rural life, led to the organization of a rural sociology section within the American Sociological Association in 1912,

¹ Names in parentheses refer to sources listed in the References at the end of the chapter.

and contributed to the eventual establishment of the Rural Sociological Society (Brunner, 1957). Early members of the rural sociology section struggled with the now familiar distinction between urban and rural communities within individual developed nations. C. J. Galpin (1918), for example, developed techniques for delineating rural communities and discussed sociocultural, institutional, and behavioral attributes that differentiated rural areas from urban areas. His work was reminiscent of Durkheim's *gemeinschaft-gesellschaft* framework, although there is no evidence that he was familiar with it. Other important early work was conducted by Sorokin and Zimmerman (1929) who observed that rural-urban differences were principally based in occupational differences, Walter Wilcox (1926) who identified population size and density as limiting factors for urban settlement, and Louis Wirth (1938) who proposed that ecological attributes of cities were associated with social behavior that differentiated them from their rural counterparts (and led to alienation and serious social problems).

Sociologists have investigated the nature, determinants, and consequences of rural-urban differentiation within developed nations almost continuously since the early decades of this century. The central question has focused on the meaning of rurality in developed nations such as the United States (Bealer, Willets, and Kuvlesky, 1965). Most analysts have concluded that the rural-urban distinction is still important in modern-day America (and in other developed nations). Duncan and Reiss (1956) demonstrated substantial rural-urban differences in most of the demographic and socioeconomic factors they studied in 1950, but they also showed that this differentiation did not necessarily follow a regular rural-urban gradient. Schnore (1966) showed that rural-urban background is an important individual characteristic that contributes to predicting human behavior. Bealer and his colleagues (1965) clarified the definition of rurality by identifying three interrelated dimensions: (1) ecological, (2) sociocultural, and (3) occupational. Wilkinson (1985) used this framework 20 years later and observed that while the occupational and sociocultural elements of rurality no longer tell us much about residential differentiation, the "spatial or ecological" element is still an important social distinction in American society. He contended that the "lasting sociological significance of the concept of rurality lies in the connection between spatial dispersion and other characteristics of social life. There is little doubt that settlement patterns influence patterns of social interaction" (Wilkinson, 1985: 120). Finally, in an exhaustive analysis of 1980 census data, Fuguitt and his colleagues (1989) concluded that "residential differences persist in the 1980's, structuring the lives people live and the opportunities available to them" (Fuguitt, Brown, and Beale, 1989: 425).

Societal Changes Affecting Spatial Relationships

This body of knowledge argues strongly that the rural-urban variable is still a meaningful distinction in modern societies. After all, the conclusions result from a systematic social scientific analysis, not from attempts to elevate one segment of society over another with unwarranted value judgments. Regardless of whether one accepts the continued validity and utility of rural-urban differentiation, however, it is still important to consider the meaning of these differences in contemporary society, and how that meaning may have changed as a result of the fundamental alterations to the spatial structure of modern society that have occurred during the past two decades.

As Bealer and his colleagues (1965) pointed out, the concept of rurality is multidimensional and involves occupational, sociocultural, and ecological/demographic elements. To this I would add an organizational or institutional component. Most conventional definitions of rurality include one or more of the following attributes: (1) occupational--relatively high dependence on farming and/or other natural resource-based occupations; relatively high degree of specialization in local labor markets; (2) sociocultural--more traditional values, beliefs, attitudes; less social

differentiation; (3) demographic/ecological--relatively small size; relatively low population density; relative geographic isolation; and (4) institutional--relatively narrow range of choices in services, facilities, consumer goods; relative lack of capacity in public institutions (especially government). All of these attributes are being affected by broad scale interrelated secular changes that are occurring, or have recently occurred, in developed nations. As I have proposed elsewhere (Brown and Zuiches, 1992) in discussing rural-urban population redistribution in the United States at the end of the 20th century, some of these factors are endogenous to individual metropolitan and nonmetropolitan communities and economies, while some are exogenous factors that operate at the societal or global level.²

Metropolitan Influence

The continued spread of metropolitan influence is one of the most overarching societal changes affecting nonmetropolitan areas. While the Nation may not have reached the level of societal integration visualized by Berry (1972) in his concept of the "daily urban system," it is undeniable that metropolitan complexes affect social and economic activities in communities located throughout the urban hierarchy. Rural localities have always been involved in interdependent webs with other areas, but the extent to which higher-order metropolitan complexes control social and economic life in rural areas has increased along with the Nation's level of metropolitanization (Berry, 1967). The nonmetropolitan population turnaround of the 1970's did not indicate the incipient dismantling of the metropolitan system, as some have concluded. It may have indicated a potential limit on the level of population and employment concentration, but there was no indication of a diminution of metropolitan influence over the Nation's social life and economic affairs. Heightened national contact has both positive and negative implications for rural communities. On one hand, such contact affords access to new opportunities and resources; on the other hand, it reduces the "protection" of distance that traditionally shielded such communities and economies from retail competition from larger markets, secular trends in the business cycle, changes in national economic policy, and various forms of social disorganization.

Globalization

Similarly, the globalization of economic affairs also increases the external integration of nonmetropolitan areas. In the past, when most rural economies were dominated by agriculture, they were affected much less by national and global economic events and policies. However, the uncertain vicissitudes of foreign trade, the changing value of the dollar in international trade, changing international agreements, and foreign ownership of productive resources all have potential impacts on local rural economies. The manufacturing wage rate in Hong Kong probably affects more nonmetropolitan enterprises today than the price of corn in Minneapolis. Nonmetropolitan areas are now integral parts of national and global economies.

Transportation and Communications Technology

The impacts of metropolitanization and globalization on the nonmetropolitan periphery are facilitated by advances in transportation and communications technology. Improved access to transportation and communication networks reduces the costs of distance and facilitates heightened social and economic interdependence. Increased accessibility has frequently been cited as a determinant of rural population and employment growth. Transportation systems emanating from metropolitan areas have provided employment opportunities to commuting workers in adjacent nonmetropolitan areas. Empirical support for the more general impact of

² This enumeration of factors is taken from Brown and Zuiches, 1992.

transportation and communication on local population growth, however, has been elusive although most studies show at least a slight positive growth effect of enhanced accessibility levels in nonmetropolitan areas (especially with respect to access to the interstate highway system) (Briggs, 1983; Lichter and Fuguitt, 1980). Aside from its impacts on demographic and economic change, improved transportation has reduced the friction of space on social, cultural, and political interaction. Rural residents who can afford it can vacation in New York or Paris with less effort than a trip across the State took in years past.

Similarly, cable television and modern telecommunications bring the Nation's and world's popular culture to even the most remote locations. Nonmetropolitan area's access to computer networks, on the other hand, is somewhat constrained by the relative absence of fiber optics and digital switching, but access to such technologies is probably just a matter of time. These technological advancements are expected to have significant implications for the competitive position of rural economies in the knowledge and information-intensive environment of the future (Dillman, 1991).

Economic Restructuring

Economic restructuring is another (interrelated) societal trend that is reverberating through the nonmetropolitan economies of developed nations. Restructuring operates at both the industry and occupational levels. Many individual nonmetropolitan economies are participating in the national transformation from goods production to much greater dependence on services; and the occupational composition of rural firms is changing to a greater demand for information-related tasks as entrepreneurs try to improve their competitive positions through improvements in productivity. Few jobs, or workers, will remain unaffected as structural change reshapes the demand for skills and experience. Unfortunately, many urban and rural economies appear to be experiencing a widening gap between skill needs and skill levels because of simultaneous yet conflicting transformations of employment and demographic bases (Kasarda, 1990).

Worker displacement is an associated problem, at least in the short term, as industrial sectors adapt to structural change by closing plants. Reemployment barriers are severe for older, and less educated workers. Industrial shifts mean that the skill requirements of newly created jobs do not match those of many displaced workers. Holland (1988) has shown that reemployment problems are particularly difficult for workers displaced from declining industries in stagnating or declining economies.

Workforce Characteristics

The impact of workforce education and training on local economic growth is difficult to ascertain because the association between the two issues is potentially simultaneous (that is, does a better prepared workforce attract more and better jobs to an area, or does economic growth attract better prepared workers). Recent research by the U.S. Department of Agriculture's Economic Research Service (1991) concludes that the lower educational levels of nonmetropolitan workers did not contribute to slower employment growth during the 1980's. Rather, the problem appeared to be on the demand side with a lack of new high-wage jobs contributing to nonmetropolitan outmigration of better educated persons. The authors are careful to point out that they favor increased investments in education, but from the standpoint of improved individual opportunity, not as a rural economic development strategy. Accordingly, if industrial restructuring of the Nation's economy continues to create a differential share of jobs for better educated persons in metropolitan areas, we can expect the nonmetropolitan-metropolitan "brain and experience drain" to continue.

Shifts in Intergovernmental Responsibilities

No discussion of major trends affecting local communities is complete, at least in the United States, without mention of changes in intergovernmental relations. The last decade has witnessed a devolution of responsibility from the Federal to the State and local levels (Liner, 1989). In part, this is a philosophical retrenchment by the Federal Government in the scope of its activities, but it also results from the need to reduce Federal and State budget deficits. The operative phrase for local government appears to be, "do more with less." It is uncertain what effect this situation will have on the cost of and access to public services, or the distribution of costs and benefits among users and the broader community, on interregional transfers of wealth and income, or the capability of local governments to plan for and manage community responsibilities. Perhaps it will lead to enhanced interlocal cooperation as individual communities try to "borrow scale" by joining with each other. Just as likely local communities might be unable to provide necessary services and amenities without raising taxes so high that they will not be able to retain their population (Eberts, 1992). Regardless of the strategy selected, local rural governments will have to find effective means to adapt to the ever more difficult fiscal situation, and the increasingly complex intergovernmental (and regulatory) environment. This is especially difficult during times of economic and demographic change. Governmental capacity contributes to economic growth and development, and conversely lack of governmental capacity constrains future prospects (Brown and Glasgow, 1991).

National Macroeconomic Policy

The Nation's monetary and fiscal policies set the basis for economic growth and development, but nonmetropolitan economies are differentially affected because of their narrow and distinctive mixes of economic activities. Agriculturally-dependent economies, for example, are particularly sensitive to changes in national macro policy because such policy changes cause wide swings in commodity prices and asset values. High real interest rates and a high value dollar, aspects of the Nation's anti-inflation policy during the 1980's, contributed to financial stress and competitive problems for the goods-producing industries that make up a disproportionate share of nonmetropolitan economic activity. As Deavers (1988: 386) has pointed out, "policies undertaken to achieve broad national goals have significant implications for the performance of rural economies." Thus, changes in macroeconomic policy can have an important impact on the volume and composition of nonmetropolitan economic activity, and on future prospects for population growth and retention.

Conclusions

I began this paper by asserting that the meaning of rurality in developed societies has been altered by fundamental society-wide changes that have modified the structure of spatial relationships. I end the paper by asserting that we know very little about how these alterations have shaped the changing position of rural areas in the national economy and social structure. Accordingly, I conclude that the meaning of rurality in developed societies is an open question.

There seems to be broad-based agreement among social scientists and government statistical agencies that the Nation's settlement structure has changed sufficiently to merit a thorough review of statistical geography used to collect and display data. In fact, the Office of Management and Budget's Committee on Metropolitan Concepts and Statistics Project has recently initiated a study to reevaluate the validity of fundamental geographic units that are used to identify entities of the Nation's settlement structure.

This is not to say that we know nothing, or that research using current residence categories is invalid. Actually, a substantial body of knowledge has accumulated, especially that focused on demographic (Fuguitt, Brown, and Beale, 1989) and economic (Brown and others, 1988) adaptation to societal change. And, there have been some recent serious attempts to create more reliable measures of rurality (Luloff, 1987). What is needed, however, is research and scholarship that considers the entire constellation of interdependencies among societal trends and the defining attributes of rurality (fig. 1). Such research would synthesize knowledge, taking into account the complex and multifaceted connections among societal trends themselves, and between them and rural attributes.

| Figure 1--Framework for exploring impacts of societal trends on the meaning of rurality in developed nations | | | | | | | |
|--|--------------------------------|--------------------|---|--------------------------------|-----------------------------------|---|-------------------|
| Attributes of rurality | Societal trends | | | | | | |
| | Metropol- itan influence | Globaliza- tion | Transpor- tation and Communi- cation Technology | Economic Restruc- turing | Workforce Character- istics | Shifting Intergovern- mental Responsi- bilities | Macro Policies |
| <i>Economic</i> *Dependence on natural resources *Specialized local economies | | | | | | | |
| <i>Sociocultural</i> *Traditional beliefs, values *Homogeneity | | | | | | | |
| <i>Ecological</i> *Small size *Low density *Geographic isolation | | | | | | | |
| <i>Institutional</i> *Narrow local choice *Limited capacity in public institutions | | | | | | | |

This is an ambitious task, but an important one. Almost every developed nation has explicit rural policies (Cloke, 1988), and most of these countries target assistance to rural areas identified in ways that lack a critical consideration of what is rural in relation to their nation's particular level of societal development. I contend that without a systematic and rigorous consideration of the meaning of rurality, it is virtually impossible to determine whether a nation has "rural problems" that warrant public intervention, let alone identify rural areas for assistance.

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Rural America in the 1990's: Trends and Choices

William Galston

Introduction

As is now clearly established, the rural renaissance of the 1970's turned into the rural bust of the 1980's. Both extractive industries and routine manufacturing, on which many rural areas are heavily dependent, experienced severe recessions in the early and middle part of the 1980's. The subsequent partial revival of production in these sectors was not accompanied by a commensurate revival of employment. Meanwhile, the growth sectors of the national economy--high-tech manufacturing, knowledge-intensive industries, and business services--became increasingly concentrated in urban areas. While the recession that began in mid-1990 has dealt a heavy cyclical blow to these sources of metropolitan economic growth, it is unlikely to alter long-term trends.

I shall argue that the difficulties rural America experienced in the 1980's are in large measure the product of vast shifts in the national and international economy. Rural communities are increasingly exposed to the impact of these shifts. Nonetheless, Federal Government policies during this period also contributed to the reemergence of rural disadvantage. For much of the decade, the macroeconomic regime produced currency distortions that impeded rural exports, as well as persistent high real interest rates to which many sectors of the rural economy proved vulnerable. Deregulation in sectors such as transportation and telecommunications wiped out longstanding implicit cross-subsidies to rural areas. Federal spending patterns, particularly defense, tilted toward metropolitan areas, and the bias of Federal rural dollars toward agriculture and current consumption was not conducive to long-term economic growth (See Deavers, 1989, for a fuller discussion).¹

The overall consequence of shifting economic trends and public policies for rural America has been well summarized by Kenneth Deavers (1989: 12-13): "The recovery that began in 1982 [was] long and fairly strong in terms of compound annual rates of growth in GNP and employment Nevertheless, in contrast with earlier periods, strong national growth . . . contributed little to improving the relative performance of the rural economy." This dramatic divergence can be measured along a number of key dimensions:²

- Employment. Between 1979 and 1987, metro area employment grew by 18 percent, while nonmetro employment grew by only 8 percent.
- Unemployment. Between 1979 and 1987, annual nonmetro unemployment rates ranged between 1 percent and 2 1/2 percent higher than metro rates.

¹ Names in parentheses refer to sources listed in the References at the end of the chapter.

² Unless otherwise noted, the figures cited in this summary of rural trends are from Deavers, 1989.

- Income. The ratio of nonmetro-to-metro per capita incomes declined from 77 percent at the end of the 1970's to only 73 percent in 1987, the lowest level since 1970.
- Wages. After adjusting for inflation, average annual earnings per job fell 8 percent (\$1,700) in nonmetro areas between 1979 and 1987, versus only 2 percent (\$450) for metro areas. As a result, the metro/nonmetro gap grew from \$5,000 to nearly \$6,200 (Barancik, 1990: 9).
- Earnings Penalty. In 1974, the ratio of metro-to-nonmetro earnings was quite similar across educational categories, rising only gradually from 1.08 for individuals with an eighth-grade education to 1.14 for college graduates. By 1986, while the ratio for those with an eighth-grade education was 1.18, the ratio for college graduates approached 1.40. In short, returns to education increased much faster in metro than in nonmetro areas.
- Poverty. The nonmetro poverty rate soared to 18 percent between 1979 and 1982 and remained stuck at nearly that level throughout the ensuing economic recovery. By the late 1980's, the nonmetro poverty rate was nearly 50 percent higher than the rate for metro areas.

Not surprisingly, rates for the working poor (the characteristic form of rural poverty) also dramatically increased. In 1979, 32 percent of rural workers earned below the poverty line for a family of four, compared with 23 percent of urban workers. By 1987, the percentage of rural low-wage earners had risen by 10 points to 42 percent, versus a 6-point rise to 29 percent for urban low-wage earners (Gorham and Harrison, 1990: 16). The poverty rate for nonmetro families in which the head of household worked rose from 7.6 to 10 percent during this period--twice as high as the rate for the corresponding metro families (Shapiro and Greenstein, 1990: 3).³

- Population. While the nonmetro growth rate had exceeded the metro rate by almost 40 percent in the 1970's, it fell to less than half the metro rate through the 1980's. By the mid-1980's, annual outmigration reached nearly 500,000, a rate substantially above the annual average for the 1950's and 1960's. More than one-half of all nonmetro counties actually lost population during this period. And, in large measure because of the shifts in educational earnings penalties summarized above, "rural outmigration is not only age specific but education specific. As a consequence, many of the rural citizens most important to future rural development are leaving rural America" (Deavers, 1989: 11). While the most recent analysis of rural population trends in the late 1980's suggests that the worst of the outmigration is now behind us, rural population growth continues to lag well behind that of metro areas, and the inequality between rural winners and losers continues to widen (Beale and Fuguitt, 1990: 14-18).

I dare not masquerade as a population expert, especially at a workshop attended by so many genuine experts in this field. On the basis of the fragmentary evidence available to me, however, I do want to suggest that recent rural population trends are inversely correlated to community size: on average, the smallest towns have been hardest hit, while mid-sized communities have come closer to holding their own. In Iowa, for example, the 680 small towns with a population under 1,000 have lost about 35 percent of their retail trade during the past decade and their

³ The interaction of poverty and the relative scarcity of critical services, such as health care, has had devastating consequences for many rural residents: "Maternal and infant mortality rates [in rural areas] are substantially higher than those in urban areas and are rising at a faster rate. Rural Americans have disproportionately higher rates of serious chronic illness, accidents, and disability. But the health care system is not equipped to adequately serve these needs" (Center for Community Change, 1990: 3).

population losses have been disproportionately concentrated in the younger age cohorts (Shribman, 1991).

I should also note the continuing impact of location on rural population trends. Given previous research demonstrating the importance of metro adjacency for rural county growth in the 1950's, 1960's, and 1970's, it is hardly surprising that adjacency turned out to be so significant in the 1980's, a decade so markedly favorable for metropolitan areas. During 1979-88, employment in adjacent nonmetro counties grew at more than twice the rate of nonadjacent counties (Deavers, 1989: 6).

To be sure, these aggregates conceal significant disparities--some metropolitan areas fared quite poorly during this period, and the rural areas near them tended to follow suit. Still, the past decade may be viewed as a vindication of at least a moderate version of central place theory. From this perspective, one of the great conceptual and practical challenges of the 1990's is to devise new forms of metro-nonmetro linkage that can substitute for geographical adjacency. Failing this, the prospects for many small, remote communities are far from bright.

The National/Global Context

These trends cannot be understood, and should not be studied, in a vacuum. The reason is familiar, but worth pondering: the U.S. rural society and economy is now exposed, as never before, to the full force of powerful national and international trends.

Primary Product and Industrial Economies Disengaged

To begin with, the primary products economy is now detached to a significant extent from the industrial economy. In classic business cycle theory, a slump in agriculture and raw materials is soon followed by a serious crisis in the industrial sector. Yet throughout much of the 1980's, a prolonged primary-product depression had little effect on the broader economy. Because materials constitute a tiny, and declining, portion of the gross national product (GNP) of advanced countries, even sharp declines in output and income have, at most, marginal overall effects.

This progressive marginalization of primary products in industrialized nations is unlikely to be reversed, in part because other countries proved unexpectedly able to increase their agricultural and materials output in the 1970's and 1980's, but more fundamentally because materials are decreasingly important as inputs for production. Peter Drucker (1989: 122) offers the following examples. Materials and energy constituted 60 percent of the costs of the representative industrial product of the 1920's, the automobile, versus 2 percent for the representative industrial product of the 1980's, the semiconductor microchip. Copper wires with a materials/energy content of close to 80 percent are being replaced in telephone cables by glass fiber with a materials/energy content of 10 percent.

These are long-term trends. With the exception of wartime, the amount of raw material needed per unit of economic output has been dropping throughout the 20th century. A study by the International Monetary Fund calculates the decline as 1.25 percent (compounded), implying that raw materials required per unit of production are no more than 40 percent of the requirements in 1900 (Drucker, 1990: 773). While there may be temporal local or sectoral exceptions to these broad trends, there is no reason to believe that rural strategies premised on sustainably rising demand and prices for primary products overall have any serious chance of succeeding.

The decreasing importance of raw materials has consequences for the entire U.S. economy, not just rural America. In a path-breaking article, Gavin Wright (1990) has recently shown that the rise of the United States to industrial supremacy rested heavily on relative price and supply advantages in nonreproducible natural resources. Since then, the integration of world markets for resources has significantly eroded those advantages. As Wright observes, these resources are now commodities rather than factor endowments. An important issue facing the U.S. economy, then, is whether it can find new sources of competitiveness to replace this vanishing advantage--an issue complicated by the increasing mobility of technology and information.

Manufacturing Productivity and Employment Not Tied

A second key development is that throughout traditional economic sectors, a wedge has been driven between production and employment. This is a familiar phenomenon in U.S. agriculture, where tremendous advances in output have been accomplished with ever-shrinking numbers of producers. There is no reason to expect the increase in agricultural productivity to slow. If anything, biotechnological advances just coming onstream may increase the rate of increase during the 1990's.

Somewhat less familiar, but just as important, is the spread of this inexorable logic of productivity to the manufacturing sector. Over the past 15 years, U.S. manufacturing production has risen by roughly half, but manufacturing employment during this period has actually declined. The much-discussed U.S. productivity crisis is largely confined to the service sector; our manufacturing productivity has risen by more than 3 percent annually since 1982.

This trend is also long term. The ratio of blue-collar workers in the total labor force was 1 to 3 in the 1920's, 1 to 4 in the 1950's, less than 1 to 6 today, and likely to be at most 1 to 10 by the year 2010. This decrease, which implies a continuing decline in the absolute number of U.S. manufacturing workers, will coincide with continuing large increases in manufacturing output and exports. Indeed, rapidly rising productivity is a *condition* for such increases, because without it no industry can hope to remain internationally competitive (Drucker, 1986: 775-777).

Once again, the moral for rural America is clear. Agriculture, raw materials, and manufacturing will continue to shrink their employment, relatively and (to a lesser extent) absolutely. Absent heroic assumptions about the future location of manufacturing plants, there is no possibility that routine production jobs can soak up excess rural workers in the 1990's as they did to some extent in the 1970's. If trends toward rising rural unemployment and population exodus are to be reversed, answers must be sought elsewhere.

Investment Critical To Growth

Third, in contemporary circumstances, the key to economic growth is investment, particularly in innovation and people. During much of the 1980's, U.S. investment fell behind that of our major competitors, leading to a decline in the key capital/worker ratio (Thurow, 1985: 84). In 1989, Japanese investments in plant and equipment per worker were three times as large as those in the United States (Thurow, 1990: D5).

The reasons for this shortfall are not hard to enumerate. U.S. personal savings fell to historic lows, while public sector dissavings--in particular, the Federal budget deficit--soared. Total national savings (individuals, corporations, governments) fell from 17.4 percent of GNP in the late 1970's to only 11.3 percent in the late 1980's (Thurow, 1990: D5). High real interest rates raised the cost of capital far above that of our major economic competitors, discouraging investments other than those yielding substantial short-term returns. What would otherwise have been an

outright clash between investment and consumption was muted considerably by an influx of capital from abroad, notably Europe and Japan.

In this respect, among others, the 1990's are likely to be quite different. Under the pressure of events, the days of heavy U.S. reliance on external investment capital are rapidly drawing to a close. Germany is turning its attention to the capital requirements of Soviet assistance, Eastern European reconstruction, and its own increasingly painful reunification. The rest of Europe is following suit, a tendency likely to be accelerated by European integration and by the difficulties encountered in the Uruguay Round of GATT negotiations. For its part, Japan now confronts demands for increased domestic spending (public and private) in a context reconfigured by a shattering stock market crash, troubled financial institutions, higher interest rates, an aging population, and the declining savings propensity of its households.⁴ During the first 6 months of 1990, overseas foreign investment in the United States declined by over 70 percent from its 1989 levels.

As a result, the productivity-enhancing investments the United States needs in the 1990's will have to be financed to a much greater degree out of domestic savings, or they will not occur at all. This implies some combination of increased private savings and decreased public dissavings, both of which entail much slower growth in domestic consumption.

It also implies a much slower rate of debt accumulation. During the 1980's, debt of all kinds--government, corporate, and consumer--rose to unsustainably high levels. The current recession is already forcing bankruptcies and restructurings, a diminished willingness on the part of households to take on new debt, and a much more cautious attitude toward debt creation on the part of financial institutions hard-pressed by failing loans and tightened government regulation. If the 1980's was the decade of consumption and debt, the 1990's will have to be the decade of savings and equity.

To make matters even harder, increased savings will have to come directly out of household earnings at a time when real hourly earnings are once again declining. The range of expert disagreement is fairly wide, but no model predicts real estate price rises over the next decade at anything approaching the levels of the 1980's. In the past year alone, the sagging residential housing market has wiped out the net equity of many middle-class families, and in many regions the bottom has not yet been reached. Nor can the stock market be expected to triple as it did during the decade just ended.

Some of the increased investment the United States needs will have to come from the public sector. But this will be hard to accomplish, for two reasons. First, the recession is pushing the Federal budget deficit to unprecedented levels, counteracting the recent budget agreement and renewing pressure for spending cuts. Second, estimates of funds needed to shore up the financial sector continue to escalate.⁵ Third, while the Federal domestic program retrenchment of the 1980's was substantially counterbalanced by expanded State and local activity, this is most unlikely to recur in the 1990's. Instead, we appear to be entering a period of simultaneous pressure on public budgets at every level. And finally, as noted above, public faith in governmental honesty and efficacy stands close to historic lows.

⁴ For a useful summary of the early warning signs, see Burgess, 1990.

⁵ The latest indications are that bank failures may push the FDIC toward insolvency and force a costly recapitalization. See Labaton, 1990.

The implications of all this for U.S. rural development are clear and sobering. Incremental public funds will be very hard to come by; pressures on (and struggles over) existing resources are bound to intensify. As is the case in other areas, demands will escalate for stricter accountability as well as demonstrable results, and there is likely to be an expanding market for more efficient, less bureaucratic forms of public-sector activity--a process David Osborne has called "reinventing government."

The need to compete more effectively in the international economy will give an edge to public programs that can be justified as investments in long-term productivity and growth over efforts to promote equity. Rural strategies will have to be defended primarily as contributions to overall national well-being rather than in place-specific terms. But national and local advantage may not converge. For example, human capital investment makes eminent sense as a national strategy, but it cannot succeed in staunching the flow of trained young people from rural communities unless rates of return to human capital are simultaneously increased in these communities--a goal that may prove far harder to justify in national terms, let alone achieve (Deavers, 1989: 11, 17).

The implication to be drawn from these broad trends is clear: rural America has entered a new era in which innovation may not guarantee success, but status quo policies will ensure failure. The challenge in the 1990's is to shape new strategies responsive to both enduring rural realities and changing national and global circumstances.

Rural Comparative Advantage

To have any chance of succeeding, such strategies must be built on a realistic assessment of the rural comparative advantage. Early in U.S. history, the development of rural America rested primarily on place-specific resource advantages: land, timber, and minerals. The central rural disadvantage--the obstacle of distance--was overcome in part by natural locational facts (for example, long navigable rivers), and in part by publicly guided development of communication and transportation systems. These advantages have not disappeared, but their significance has been steadily eroded (as we have seen) by changes in technology, relative factors of production, and the composition of final demand.

In the 1960's and 1970's, the primary basis of rural comparative advantage shifted from resources to factors such as cheap land, low-cost labor, relatively relaxed regulations, and weak or nonexistent unions. Combined with a new burst of public investment in transportation (the interstate highway system), these advantages spurred a significant expansion of routine manufacturing in rural America. From 1960 to 1980, the rural share of manufacturing employment rose from 21 to 27 percent.

But these advantages, too, have been eroded by economic change. The importance of land costs in plant siting decisions has diminished, and in a global marketplace with fully mobile capital, cheaper labor can be found and employed outside our borders (Deavers, 1989: 9). In the longer term, there is every reason to believe that labor will continue to shrink as a component of manufacturing costs, and therefore as a determinant of production siting.

During the 1980's, rural America appears to have entered its third major phase. The kinds of natural characteristics regarded as "amenity values" by retirees, vacationers, and certain businesses have emerged as the chief new source of rural comparative advantage. (We may speculate that this relative advantage has been widened by declining amenities in many urban areas.) Rural places with substantial locational assets have commanded the lion's share of nonmetro population and employment gains.

There is, however, a downside. The same characteristics--lower population size density--that give some rural areas amenity value frequently limit opportunities for development in other areas. There are three key factors. First, lower size and density make it difficult--in some cases impossible--to achieve significant local diversification, which leaves communities (and even entire regions) highly vulnerable to downturns in their prime economic base. Second, these factors are correlated with larger average distances between individuals as well as economic activities, which raises costs of communication and transportation. The deregulatory wave of the 1980's increased the rural disadvantage along this dimension. Not surprisingly, nonmetro counties that are adjacent to metropolitan areas did far better than did remote counties during the past decade. Third, successful amenity-based development may eventually erode the original advantage, as population size and density increase and amenity values decline.

As Emery Castle has observed, the financial costs associated with overcoming distance are not a linear function of distance. Technological change and infrastructure development can do a great deal to reduce the costs of geographical distance. Still, he notes, "The economic welfare of the more sparsely populated areas is linked with, and dependent upon, economic activity in the more densely populated areas It is not a coincidence that the most prosperous rural areas have close economic links with other parts of the world and the large urban centers" (Castle, 1987: 16-17). This thesis suggests that a central challenge for U.S. rural development in the 1990's will be to conceptualize, and put in place, new kinds of linkages between metropolitan areas and remote communities. Absent such innovations, the prospects for remote communities without significant natural amenities can only be regarded as bleak.

Collective Action Failures

The foregoing may be misinterpreted as an argument that the decline witnessed throughout so much of rural America in the past decade is the all but inevitable consequence of irresistible national and international trends. That is not my intention. I want to argue a more complicated case: while these broad trends do set the agenda and restrict options, the outcomes for rural areas reflect the choices made among available options, as well as the forms of collective action used to implement these choices.

In modern societies, broadly speaking, there are three principal ways in which individuals can organize themselves collectively to get things done. The oldest of these, politics, is the sphere of authority, in which the legitimacy, office, persuasiveness, or power of some persons induces others to accept their judgment and command as the basis of action.⁶ Since the 18th century, a second sphere has emerged--the market--governed by the principle of exchange--transactions that leave all parties better off (as they themselves define their own well-being) than they were before. The third sphere is that of civil society. It encompasses all voluntary associations based on shared principles, loyalties, or sentiments such as families, churches, neighborhood groups, nonprofit or charitable organizations, and so forth.

Like the market, civil society can only exist if the sphere of politics refrains from occupying the totality of available social space. Markets and civil societies are thus linked to what may be called the liberal principle, that government should (for reasons of efficacy as well as morality) be limited in crucial respects.

Armed with this simple but serviceable trichotomy, we can now tell a story about the main currents of modern American history. From this standpoint, the New Deal represented the

⁶ For a similar account, see Lindblom, 1977, chapter 2.

victory of politics over both the market, which was alleged to have produced fatal economic imbalances, and civil society, which had proved unequal to the task of coping with the human consequences of market failure. Programs such as the National Recovery Administration, Agricultural Adjustment Administration, Works Progress Administration, and Civilian Conservation Corps reflected the belief that the market could not be trusted to generate enough jobs for workers or appropriate prices for goods, while Social Security, unemployment benefits, and Aid to Families with Dependent Children emerged to assist, and in considerable measure to replace, voluntary associations swamped by the Great Depression's tide of human misery.

New Deal liberalism was the dominant paradigm for two generations. But by the end of the 1960's, there was a growing sense among both policy elites and the general public that the incremental gains stemming from further expansion of the politics sphere vis-a-vis the market and civil society were being purchased at excessive cost. The conservative movement, which culminated in the election of Ronald Reagan, in part represented the desire to roll back politics in favor of market transactions and the activities of voluntary social groups. The decade of the 1980's represented a sustained effort, which achieved a measure of success, to do just that. We are now in a position to evaluate what we have gained, lost, and learned (or perhaps relearned).

The market, we see, is a remarkable mechanism for transmitting information and for inducing change. It promotes efficiency, generates wealth, fosters individual mobility and opportunity, and increases personal freedom. These are not inconsiderable advantages, and they help explain why the market attained almost iconic status among the nations throwing off the legacy of Stalinism in the late 1980's.

But there are entries in the debit column as well. The market is insensitive to the distribution of income and wealth among economic classes and geographical locations; indeed, there are indications that under contemporary conditions it tends to exacerbate preexisting disparities. Left to its own devices, the market does little to alleviate the burdens of the changes it induces; witness the struggles of communities and regions dependent on declining sectors such as steel, autos, and mining. To individuals as well as firms, the market presents various barriers to entry that are bound to have unequal impacts on different social groups--especially when educational attainment commands an increasing premium. The market is structured by rules that it neither creates nor enforces; so if the political sphere does not exercise its authority appropriately vis-a-vis the markets, inefficiencies and scandals result. The market, it turns out, does not achieve a self-regulating balance between private consumption and private investment or, for that matter, between the short term and the long term. Added to all these difficulties rediscovered during the past decade are the classic kinds of market failures known (if perhaps underestimated) all along: imperfect information, externalities not factored into prices, and the inadequate provision of public goods that undergird sustainable economic growth.⁷

I have argued that the conservative movement of the past two decades represented a revolt against politics in the name of both the market and civil society. But a tension has emerged between these two antipolitical commitments. The sustained, rapid, and inexorable changes produced by the market do not support--indeed, may weaken--the intermediary social groupings that require cohesion, stability, and trust. The unintended victims of the market's "creative destruction" include families, neighborhoods, and communities as well as inefficient and unresponsive firms.

⁷ For a multifaceted exploration of these themes, see Helm, 1989.

This is not a new lesson, of course. It has been a staple of European social commentary since the Industrial Revolution. But the traditional American view, expressed classically in de Tocqueville's *Democracy in America*, has been more hopeful: that the variegated web of voluntary associations comprising civil society would be strong enough to counterbalance the excesses of market-based individualism as well as of political centralization.⁸ We are now learning that the market may have to be restrained by other means as well if civil society is to flourish.

And flourish it should. During the past decade, voluntary associations have performed remarkably in areas such as education, housing, and neighborhood safety--frequently in the face of problems seemingly impervious to standard political and market mechanisms. Alongside these successes, however, have been troubling difficulties of scale and strength. In many instances, associations have been unable to mount efforts equal to the size of the problems, churches and advocacy groups, for example, have not been able to shelter all the homeless. Nor have associations been able to counteract the effects of broad economic and social trends that have overwhelmed many families and communities. Vigorous civil society is a necessary but not sufficient condition of social health.

While the experience of the 1980's has muted some enthusiasm for markets and civil society, it has done little to restore confidence in politics as a mode of collective action. By and large, the American people continue to equate the political sphere with the mode of government activity characteristic of the New Deal paradigm: a labor-intensive, self-regarding, unresponsive bureaucracy, captured by special interests at the expense of the general interest, wedded to old programs at the expense of new needs, with a seemingly bottomless appetite for consuming public funds but a limited capacity (at best) for resolving public problems. In the judgment of many, "government failure" is just as probable--indeed, just as pervasive--as "market failure."

These sobering conclusions are hardly confined to the United States. In a wide-ranging review of post-war international efforts, Anne O. Krueger (1990: 11-13) comments: "One of the lessons of experience with development is that governments are not omniscient, selfless, social guardians, One must ask why economists were ever comfortable with the simultaneous beliefs that individuals in the private sector act in their self-interest and that individuals in the public sector are motivated by a Benthamite vision of social justice." As Krueger notes, this disillusionment about the benevolence and efficacy of government has led to some important insights: "First, when economic policies create something that is to be allocated at less than its value by any sort of government process, resources will be used in an effort to capture the rights to the items of value. Second, whenever a government policy has clearly identifiable beneficiaries and/or victims, those groups will tend to organize in support or opposition to the policies and then lobby for increasing the value of the gains or reducing the value of the losses" (Krueger, 1990: 17-18).⁹

The analytical framework developed in this section can be used, we believe, to illuminate the current plight of rural America. On the one hand, market forces on balance did not promote rural development during the 1980's, and the unchecked market's indifference to issues of spatial distribution was nowhere more clearly demonstrated. Nor, in spite of heroic efforts, was rural civil society able to address effectively the problems with which it was confronted. Churches, communities, and support groups ministered to distress and occasionally warded off worst-case outcomes, but without reversing underlying negative trends. The public sector, finally, did no better. In spite of unprecedented spending on programs regarded as "rural," the Federal

⁸ See especially de Tocqueville, 1969, chapters 2-8.

⁹ She goes on to observe that this is so regardless of whether the policies will be adopted initially because of special interest lobbying or out of genuine concern for the public interest. Government action can trigger the mobilization of interest groups.

Government did almost nothing to improve the long-term prospects of rural families and communities.

This last point is perhaps the least obvious and requires further elaboration. James Bonnen (1990) has argued that U.S. rural policy is a classic example of government failure. The reason, he contends, is that over the past century the political economy of rural America was institutionalized around key industries rather than communities. For much of the period, this political configuration was not too damaging. But in the crisis of the Great Depression, Congress created legislation that, for the most part, provided selective goods to specific groups, usually agricultural. This evoked a mobilization of agricultural interest groups to defend and expand public benefits (as Krueger's model predicts) at precisely the time that the agricultural sector was rapidly shrinking as a percentage of rural population and economic output. The result has been the domination of national rural policy by an increasingly narrow and unrepresentative segment of rural America. The inadequacy of rural political institutions has been exacerbated by population mobility. One consequence is obvious and well-known: as rural residents leave their communities in search of opportunity elsewhere, the rural population declines as a percentage of the total, decreasing its representation in State and national legislative bodies. (This trend was accelerated by the one-person one-vote Supreme Court decisions of the 1960's, which left the U.S. Senate as the last bastion of rural over-representation.)

Another consequence of population mobility that is less obvious, but just as important, is the weakening of internal forces pushing for change. As Albert Hirschman has argued, "exit" and "voice" constitute the two major forms of response to organizational decline. Individuals dissatisfied with the performance of firms or communities can choose either to leave or to stay and speak out for reform. The problem is that the availability of the (external) exit option tends to inhibit the development of effective (internal) voice (Hirschman, 1970). Exit serves as a safety valve that removes the most energetic and upwardly mobile members of the community, leaving behind a stratified mix of those who are relatively satisfied with the status quo and those too old, weak, or downtrodden to muster an effective protest against it. (A number of studies suggest that the portions of Europe with the highest rates of outmigration during the 19th century were less prone than others to social protest and violence.)

One difficulty, particularly acute in the U.S. context, is that voice is labor-intensive over an extended period and typically requires coordinated action with others, while exit is a once-and-for-all act that can be performed by isolated persons or families. Effective voice--collective action through politics--faces special impediments in a country whose public culture celebrates mobility and individualism. Still, an initial display of political effectiveness can serve as a magnet, inducing some who would otherwise leave to believe in the possibility of local improvement. This suggests that "public entrepreneurship" must play a key role in the revitalization of rural America.

Conclusion: Rural America in the 1990's

Everything I have said thus far can be summarized in one thesis: the future of rural America is the vector-sum of structural facts that delimit a range of possibilities and public choices that select and implement choices from within that range. Analysis goes astray if it gives pride of place to either of these vectors at the expense of the other. We must not overlook the powerful national and international winds now buffeting so many rural communities, but neither should we slight the ways in which, even in the face of these inhospitable conditions, skilled hands at the public helm can artfully tack and move forward.

In this complex interplay between structure and agency, it is important to maintain the distinction between macro-level trends and micro-level choices. What is true in the aggregate may not be valid for individual communities; for example, within an overall pattern of sectoral stagnation, opportunities for local growth may nonetheless persist. The point is that only a sounder understanding of broad developments will create a context in which policy analysts and local decisionmakers can more realistically evaluate the odds of success for each of the options before them. Rural communities need not always "go with the flow," but they should at least understand the nature of that flow.

Let me summarize the consequences for research and public policy that seem to me to flow from this thesis:

- (1) As we have seen, the pressures of international competition will force steady productivity increases in agriculture, natural resources, and manufacturing, driving even deeper the wedge between output and employment. If there is to be any hope of maintaining--let alone expanding--the rural job base, local communities and national policy must turn increasingly toward the substantially nontraded sectors of the economy, such as the retiring elderly, tourism, and the siting of government activities. This new emphasis is consistent with the shift of rural comparative advantage to a third phase, one that emphasizes amenity values rather than natural resources or the costs of production.
- (2) The fiscal crisis of the public sphere, which has now spread to every level of the Federal system, means that large new rural programs are impossible and that continuing pressure on existing programs is inevitable. This is a situation that cries out for innovation in the basic structure of public action. Government programs must increasingly employ cost-effective, nonbureaucratic mechanisms, and they must use public resources to catalyze action in the private sector and in rural communities. As one analyst has put it, government in the 1990's can steer the boat, but it can't row.
- (3) The continuing, perhaps even enhanced importance of rural linkage to thriving metropolitan areas, means that efforts must be intensified to find effective functional substitutes for the geographical fact of adjacency. Although initial hopes for greater spatial dispersion of the service sector have proven overly optimistic, rural policy in the 1990's must focus on sectors--such as advanced telecommunications--that could give rural communities more complete, timely access to information and lower existing barriers to fuller rural participation in the most vigorously growing parts of the economy.
- (4) The emerging importance of size for community health--even community survival--suggests that institutional change is essential. Small rural communities must seek to break down political boundaries and form new cooperative political units for education, service delivery, and public entrepreneurship--units that more closely correspond to the real scope of contemporary rural economic and social life. Recent trends suggest that only through such consolidation can many of the smallest communities hope to escape continuing decline and eventual extinction.
- (5) A final point. The progressive globalization of advanced economies has led many analysts to conclude that the skills and cumulative learning of the workforce are the new keys to competitiveness, the real sources of the "wealth of nations" in the next century. While there is debate as to the rate at which new or enhanced workforce skills will have to come onstream, the basic conjecture is widely accepted. It does not follow, however, that what enhances national wealth will necessarily benefit particular subnational regions. There many reasons for local communities and the Federal Government to embark on a new partnership to upgrade education

and training. But rural communities should be under no illusion that such initiatives by themselves will suffice to create local job opportunities and staunch the outflow of young people.

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The Interpenetration of Rural and Urban America

William Alonso

Introduction

While there can be no question that rural and small-town America exists, its nature, its dimensions, and its extent are problematic. Scholarly and policy discussions teeter on the three-legged definitional stool of rural-urban, metro-nonmetro, and agricultural-nonagricultural. Yet, who can doubt that most of the Mississippi Delta inhabits this realm, as do portions of upstate New York and the Dakotas? On the other hand, who can be certain that a seaside or skiing resort in season does, or what is one to think of a collection of hamlets in southern New Hampshire where there is a congregation of programming firms, magazine editorial offices, and computer mail-order houses? In this paper I will pose some questions concerning the definition of rural and urban America to which I have no answers, but which I hope will stimulate new ways of looking at these traditional topics.

A reading of the relevant literature makes clear the ambiguities of the definition of this realm and that those who deal with the subject are keenly aware of these ambiguities. Ten years ago, Amos Hawley and Sara Mazie wondered whether "in the end one might expect a disappearance of the distinction between nonmetro and metro sectors" (Hawley and Mazie, 1981).¹ I think that the distinction will not disappear, because there is reality to it. Fuguitt and others (1989) come closer to the mark when they say that "rural and small-town America has come to be an integral part of the highly urban and metropolitan society that the United States is today" (Fuguitt, Brown, and Beale, 1989: 427). But this reality is not captured by the concepts we are now using, which are awkward and ill-fitting.

Since 1910, a place has been classified as "urban," in effect, if 2,500 or more people sleep there. Some two-fifths of the Nation's population classified as "rural" population lived in metropolitan areas in 1980 and about the same proportion of the nonmetropolitan population was classified as "urban." Fuguitt, Brown, and Beale, commenting on the migration turnaround, note that "using a constant area approach with metropolitan-nonmetropolitan county designation at the beginning of each decade, the largest nonmetropolitan growth in this century is for 1970-1980 [Yet when the population of counties that shifted from nonmetro to metro status between 1970 and 1980 is subtracted from the 1980 nonmetro total] the nonmetropolitan population actually experienced its most severe decline during the turnaround decade of more than 10 percent!" (Fuguitt, Brown and

¹ Names in parentheses refer to sources listed in the References at the end of the chapter.

Beale, 1989: 24).² This is an Alice in Wonderland world, where words mean vaguely what we want them to mean, rather than exactly, no more and no less.

The literature on rural America (I will follow standard practice of using the words "rural" and "nonmetro" interchangeably) also stresses the diversity and heterogeneity of this realm. But the analysis of this diversity seems limited mostly to tabulation by broad regions, economic specialty, adjacency to metropolitan areas, and the like. To an outsider, like myself, what is surprising is that so much of the mainstream work in this field uses totals and averages based on this diverse and poorly bounded universe and--in spite of the protestations of rural diversity--does not look nearly enough either at the deviations from these central values, or at the patterns of these deviations.

Part of the problem is that most of the defining of rural America is done by default, as a residual category. "Nonmetropolitan" is the quintessence of a residual category; but so is "rural." The current definition of "rural" in effect is by a criterion of small populations or low densities. This is a sensible and traditional approach, but we all know that the definition of an area's population or density is terribly sensitive to how the boundaries of that area are drawn. For many purposes, questions of boundary were not so difficult in earlier times, when people walked or used animals for transportation and even perhaps in the days of the railroads and the early automobile. But the definitions of relevant population and of density have become more problematic with successive improvements in transportation and communications, each of which has made more difficult the precise relation of what the "here" of a place is. As the realm of the "here" becomes more extensive, the concepts of the population or the density of a place becomes more ill-defined for many purposes and interactions and thus lose much of their usefulness.

It seems to me, for instance, that an astronomical observatory atop an isolated mountain cannot be said to be rural. Many other instances are difficult to categorize (such as executive retreats, certain resorts, some military installations) and people may reasonably disagree as to what they are. The difficulty lies, of course, in that these activities basically involve urban people (for whom the "here" can be very extensive) in low density settings, and because they also often involve their interaction with a permanent local population that is not urban (and whose "here" is much more restricted).

Defining rural by lifestyle is not very productive either. Granted that the social diversity of rural areas is vast, on average, nonmetro lifestyle indicators (such as the prevalence of traditional families, reproductive behavior, and attitudes toward social issues) are still more traditional than those of metropolitan residents, but not by a great deal; and, while differences remain, they appear to be converging further. Louis Wirth (1938) wrote an influential essay called "Urbanism as a Way of Life," which argued that being urban did not depend on density or population size, but on "way of life"--what is now called a lifestyle. By Wirth's criterion, much of rural and small-town America is now urban and becoming more so.

² The nonmetropolitan population according to the 1980 designation is 17.3 million people smaller because it excludes counties designated as metropolitan in 1980 but not in 1970. These may be counties adjacent to the 1970 metropolitan areas or in newly-designated metropolitan areas. The great majority of these people did not change county of residence during the decade, and it is an open question whether or not their lives became functionally metropolitan during the course of the decade. To take account of the reclassification for migration, one would need to adjust metro-to-nonmetro flows by: (1) deducting the decade's migrants from metropolitan areas to these counties and (2) adding the migrants from these counties to nonmetropolitan counties. The nonmetro-to-metro flows would need to be adjusted by: (1) deducting the migrants from these counties to metropolitan areas and (2) adding the migrants from nonmetropolitan areas to these counties. These adjustments would use, in each case, 1980 designations. To my knowledge, such calculations have not been made, but they would in all probability increase the nonmetro-to-metro flows and reduce the metro-to-nonmetro flows for the decade.

This is a credible case, in that there is on average an evident statistical homogenization across the Nation of culture and consumption and of family patterns and life-courses.³ But it is a case built on a neo-Platonic ideal type of what urban life is. In actuality, urban lifestyles are themselves extremely varied and urban populations heterogeneous: they range from ethnic blue-collar to yuppie, from brahmin to underclass. Thus, the simple graded dichotomies or ideal types of traditional sociology, of the rural-urban continuum, or of *gemeinschaft* and *gesellschaft*, do not today seem very effective for sorting rural from urban, both because there is very little interclass variation and because the intraclass variation is great.

If, for defining characteristics of what is rural, neither population size, nor density, nor lifestyle are terribly useful, what about economic structure? Here, again, we draw a blank. Agriculture now is a minute portion of rural or nonmetropolitan employment, and there are nearly as many agricultural workers in metropolitan areas as in nonmetropolitan ones. Looking at the grosser categories of industrial employment provides no help, for although rural areas fall a little short in some and are a little heavier in others, the differences are not great--and indeed some, such as the greater share of manufacturing employment in rural areas, may be said to run counter to popular conceptions.

In these considerations of what is rural versus what is urban (or nonmetro versus metro), I have obviously been contrasting a general, intuitive, culturally-conditioned understanding of what these categories may mean with the possible results of formal statistical classificatory schemes. It may well be that the intuitive understanding is wrong and that such formal classificatory schemes will serve, but I do not think so. We need to match better what we mean with what we do.

We need to begin a process of rethinking the human geography of well-to-do nations. The ideas of sociology and the censal categorizations, developed earlier in this century and epitomized in Burgess's zonal metropolis, are now obsolete and misleading. They are premised on a metropolitan area consisting of a central city and a suburban ring, and beyond this a rural hinterland dotted with small towns and cities. This is the way the vast majority of censal and related information is organized and presented, and therefore the spectacles through which we see the world around us. And it is on the basis of this imagery that we do our analysis, diagnose situations, formulate policy, and design programs.

This picture was essentially correct until the end of World War II when a second stage of metropolitan dispersion took off. The economic activity of the metropolis now extends much further in geographic space, and is distributed in a constellation of clusters (of which the traditional center is still the major one) linked primarily by highways and by an invisible communications network. Residential areas are relatively continuous in the older portions of the metropolis, but beyond that they have diffused over a vast area, and many clusters are surrounded by open space. The growing ease of movement and communication has reduced the friction of space, and the metropolitan elements need no longer be tightly packed. They can now interact across relatively empty spaces, or across spaces whose population and activities are not tightly integrated with the metropolis; that is to say, across rural spaces. Thus, the urban and the rural interpenetrate, and the distinction between the country and the city is blurred over much of the urban field. While there are many large regions in this country that are distinctly rural, over much of the United States, the geographic reach of the functional metropolis has become so large that the functional hinterland of one metropolitan area overlaps with that of another.

³ See in this volume, Tim B. Heaton, "Family and Household Structure and Change in Rural America."

The existing censal categories are misleading because they present a vision of the United States as a territory tiled with convex, continuous, mutually exclusive types of regions, while the reality is one of a great deal of interpenetration, much of it rather fine-grained.

How can this interpenetration be measured and represented? Two possible approaches come to mind, which may be used singly or in combination, and which are possible today as they were not just a few years ago because of computers and advances in geographic information systems. One of these may be called the archipelago approach and the other the shadings approach. The archipelago approach consists of relaxing the requirements of spatial continuity and permitting an urban region to continue into adjacent rural areas as an archipelago of urban clusters or islets; and conversely to allow rural islets within metropolitan areas. This is to some degree what the urban-rural distinction does today, but its operational definitions, or what is urban and what is rural, are quite unsatisfactory and it is overwhelmed operationally by the metropolitan-nonmetropolitan dichotomy.

The shadings approach is to abandon the use of exclusive categories for areas, and to concede that a particular small area may have a population of which some may be usefully categorized as rural and some as urban (or whatever labels are used). Areas would then not be classified as urban or rural exclusively, but characterized by their relative degrees in these dimensions. (And, of course, the dimensions by which areas are characterized need not be limited to two.)

Whatever the intellectual merits of these approaches, they present formidable, although not insuperable, problems for analysis. For instance, a map of urban and rural America combining the archipelago and the shadings approach (limited to two categories) might look somewhat like a topographic map which shows land (or urban area, in this example) by different shades of brown that become darker with altitude, and water bodies (rural area, in this example) by different shades of blue that become darker with depth. Such a map really displays a single variable (altitude) over the Earth's surface, but by convention and the laws of physics, it is divided into the realm above and the realm below the water line. Comparably, such a map might divide brown from blue by the preponderance of urban from rural population.

This is well and good, and students of Edward Tufte can surely improve on these suggestions for mapping additional information (see Tufte, 1983, 1990). But what about handling other simple traditional forms of analysis? For instance, there is considerable use of tables that show migration streams between metropolitan and nonmetropolitan areas among regions. How can such a table be built if some areas are somewhat metropolitan and others less or more? Such tables require categorical data, so that whatever is being counted clearly belongs to one category at the beginning and to another (or the same) at the end. Perhaps these problems can be handled to some degree through improved coding of records, developing interval-based categories, using fuzzy sets, and so forth, but it will not be as methodologically simple as it is with today's categorizations.

Too much of the analysis of what is happening to rural America, it seems to me, is devoted to computing numbers organized by obsolete definitions, and too little is devoted to developing concepts and tools for the new realities.

Too much attention, if I may say so, is devoted to whether the nonmetropolitan areas are outstripping metro areas demographically or losing ground. Much of the literature sounds like sports fans gloating or moaning over how their team is doing. I find particularly troubling the concern in this literature about population growth or net migration as to whether we (the rurals) are winning or losing. The concern should be about how people are doing, not about where they

are or where they are going. More effort should be spent in understanding the emerging territorial structures and interactions.

In developing new concepts and ways of picturing the world today, we will not be able to rely only on high tech--TIGER files, PUMS, statistical wizardry, and computer mapping. I suspect that in order to map behavior better and understand its significance, there will also be a need for more field studies (of the type that flourished in the early days of central place theory) and some ethnographic work. The development of new categories and variables, or the confirmation of the old ones, cannot but benefit from a complement of close observation and a natural history approach.

I must be clear that, however quixotic my suggestions, I have no illusions that the endeavor will be easy or quick. Social learning never is. We are talking here of many years, lots of effort, and many false starts.

Moreover, the current categories are embedded not only in our minds, but also in our governance. The Department of Housing and Urban Development does metro, and the Department of Agriculture does nonmetro. The Departments of Health and Human Services and of Transportation use different regulations and standards according to the classification of an area. Some years ago, the Office of Management and Budget became aware of the pervasiveness of this reliance on censal classifications in legislation, administrative practices, and regulations. It set out to find out the extent of this reliance but had to give up because the job was unmanageable.

In talking of new ways of conceptualizing our new geography, we are therefore not talking only about knowledge and information, but also about control and allocation; and so we are talking about powerful and conflictive political interests.

Because of this, I am sure that 20 years from now we will have official statistics of metro and nonmetro, rural and urban, changed very little from today.

But it is precisely because of the inertia and vested interests in the continuance of existing definitions and categorizations that there is need for urban and rural scholars to develop an alternative set of concepts and techniques more suited to portraying and understanding the evolving realities of today's human geography. As I see it, this alternative perspective will need time to develop, conceptually and procedurally, because reframing the way we see our world does not come easily. The existing categories and concepts will undoubtedly continue to operate over the foreseeable future. But developing new images, concepts, and techniques is something we need to do as a society of citizens and scholars, to capture better the realities of today. Better understanding will help develop policies that are more effective, less wasteful, and more humane.

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245 The Uneven Spatial Development of Rural Sociology

Ann R. Tickamyer

Introduction

There is mounting evidence that the future of rural America remains unstable. Preliminary accounts from the census indicate population loss for nonmetro areas. Rural populations and households are changing as they age, migrate, have smaller families, and engage in different vocational and avocational pursuits. Poverty persists in many rural regions, and its effects are exacerbated by shrinking budgets for public goods and services at the same time that demand grows. Cyclical downturns coupled with the profound restructuring of national, regional, and local economies leave rural America's economic future uncertain at best. The global scope of the economy creates uncertainty over the extent to which any of the foregoing trends and problems can respond to local efforts at change or control.

These are the "facts" of the uneven development that have come to characterize the problems of rural regions in advanced societies. Social scientists concerned with rural society and its problems are proficient at identifying and describing these and related outcomes of this process. They are less well-equipped to explain this process or to understand it sufficiently to suggest effective strategies for change.

The central thesis of this paper is that part of the problem stems from an inadequate understanding of the spatial dimension of uneven development. The lack of a theory of space to explain an inherently spatial phenomenon undermines the otherwise real progress made in conceptualizing and empirically researching rural society. To advance this argument, I review the meanings of uneven development and its formulations in rural-oriented social science (largely but not exclusively sociology). Then I show how this failure combines with other problematic aspects of the study of rural society, particularly uneven treatment of social reproduction processes and practices, to hamper theoretical progress. In this paper, I do not try to analyze the nature of uneven spatial development in rural America or to speculate about future outcomes. Rather, I outline ways that an enhanced conceptualization of space in combination with the advances made recently in other social theories (theories of capitalism and patriarchy or critical and feminist theories) can improve research with this mission and help set an agenda for future research on the uneven development of rural America.

Uneven Spatial Development

Theories of Development

Uneven development has become shorthand for characterizing the different levels of social and economic development found in the modern industrialized world. Since most of the globe has become incorporated into this modern world in some form or other (with few prospects for even the most remote areas remaining significant holdouts), and there are massive variations in levels, forms, and types of social and economic well-being, it has become a truism that different places develop at different rates and in different ways. In fact, however, referring to development as an

uneven process represents a profound paradigm shift. Until fairly recently, the dominant theories of development, whether concerned with inter- or intra-societal processes, posited a smooth, unidirectional, and largely evolutionary change in which urban, industrialized nations and places pioneered an inevitable progression that all localities were destined to follow. Observed unevenness in development represented historical lags that ultimately would equalize.

The hegemony of modernization theory first received serious challenge in the international arena in the form of dependency theories, world systems theory, and similar critical accounts of the ravages of colonialism, imperialism, and the creation of underdevelopment in the third world via western economic, political, and social dominance and exploitation. It was not long, however, before these theories were adapted for domestic use to explain the vast differences within developed nations. Remote rural areas, persistent regional poverty, declining industrial centers, and deteriorating inner cities have all been "explained" by reference to uneven development.

Much of this explanation, however, remains at a shallow descriptive level, in which uneven is synonymous with lagging, which is equivalent to poor or depressed. The exception is a political economy approach based on Marxist and neo-Marxist accounts of uneven development. Here the process specifically refers to the uneven penetration of capitalist forms of production and reproduction across different places, regions, and nations. In this formulation, the exploitive logic of capital accumulation and the accompanying contradictory class relations, while part of an inexorable process, nevertheless is historically specific and contingent, and thus, develops at different rates and in different ways in different places. The result is inequality not only between social classes but across space.

Critique of Uneven Development Theories

In one area, the political economy model has made little progress over its conservative predecessors in accounting for this uneven pattern of development. Both traditions have an uneasy grasp of the spatial nature of the process. Both approaches can be (and have been) accused of ignoring, trivializing, or reifying notions of space.

Modernization, industrialization, and urbanization, as these terms imply, are "unfolding models of change" in which development occurs from an internal logic inherent to the society or system in question (Giddens, 1979).¹ On one hand these approaches polarize ideal types in a before versus after logic that juxtaposes primitive with modern, agrarian with industrialized, and rural with urban. Hence the prevalence of variations on a rural-urban dichotomy as the spatial metaphor that has dominated rural sociology for so long. On the other hand, space is immaterial in these formulations since these processes are thought to unfold rather inexorably across time and space. In the same way that these theories have been accused of being ahistorical despite purporting to explain change, they can also be indicted for being aspatial, despite describing changes which extend across natural and constructed landscapes.

Similarly, the political economy approach, although having a better claim to historicity, struggles with spatiality. Despite homage to the importance of space, Marx dismissed it as an "unnecessary complication" to his larger theoretical project. As Soja (1989: 32) points out, "the motor behind uneven development was quintessentially historical . . ." via class struggle rather than spatial. In some (crude and generally repudiated) versions, Marxism shares the unfolding assumptions of its mainstream counterparts. Marx is often cited as juxtaposing town and country as the model of the contradictory social relations which ultimately undermine this form of social organization. Although the dynamics of the theory suggest an historical transformation of each, the practical

¹ Names in parentheses refer to sources listed in the References at the end of the chapter.

result is a spatial dualism that mirrors the rural-urban dichotomy. The theory's recognition of historical contingency prevents the abstractions that generalize particular historical events into universal sequences. At the same time, it cannot guard adequately against the equally problematic tendency to overextend the generality of the process itself. The result is an abstraction and reification of spatial categories that rivals that found in bourgeois social science.

More recent neo-Marxist theories that build on the town-country dichotomy to create spatially-based concepts of center and fringe and core and periphery, still tend to subsume space to economic factors. In many of these analyses the social relations of production define space in a reductive and deterministic way that does little to advance understanding of the spatial manifestations of uneven development. For example, Markusen's (1987) explanation of region as the arena for the interplay of economic forces generated by local resources and history fails to take account of the diversity of natural, economic, and social forms found in the places she unquestioningly accepts as regions. Appalachia, in her work, is defined by the social relations of production and ensuing class struggle located in the coal industry with little regard for the economic diversity in the geographical area in question or the serious ambiguity entailed in drawing the boundaries of this region (Billings and Tickamyer, 1990).

Spatial Theories

Despite the criticism of Markusen's work, she exemplifies a major source of new ideas in explaining spatial inequality. She is one of a number of geographers, planners, and regional scientists, in recent years, who have undertaken the project of "spatializing" social and economic theories and conversely, "socializing" geographic models. Geographers such as Harvey (1982), Castells (1983), Smith (1984), Storper and Walker (1989), and Soja (1989) have made dramatic and compelling strides in the "reassertion of space in critical social theory" to borrow the subtitle of Soja's 1989 volume on *Postmodern Geographies*. To a large extent their efforts have revitalized geographic perspectives on development, and their influence has begun to permeate other social scientific disciplines. From a sociological perspective, their influence can be seen in many of the most interesting examples of current theoretical and empirical scholarship, such as Giddens' ongoing development of his theory of structuration (1979, 1984) and the urban sociology of Logan and Molotch (1987).

These exemplars, however, also illustrate the limits of much of this work: either it is part of a theory building (or even paradigm construction) exercise or it is focused on urban issues. Many of the geographers, understandably concerned with the foundations of their discipline, have written what are essentially histories and sociologies of geography. Their theories have not yet totally translated into well-designed empirical studies. To the extent that they have been tested, they fall into the other problematic category (from the rural scholar's point of view): these theories are applied to a world which is defined by the dominance of urban forms and problems. A glance at the indices of several of the most widely cited of these works show no listing for "rural" anything (such as, Smith, 1984; Storper and Walker, 1989; Soja, 1989). Similarly, the sociologists cognizant and influenced by this work focus on urban sociology, whether they do so from the traditional vantage point of urban ecology (Kasarda, 1988) or from a political economy perspective (Logan and Molotch, 1987).

There are exceptions to this observation which will be discussed below. Nevertheless, the bottom line is that while we live in a world mapped by the outcome of uneven development and in which the problems inherent in this process are more evident daily, we have yet to develop satisfactory theories or analytic tools to explain it, much less develop policies and programs to alleviate the ensuing problems. Despite the urgency of a satisfactory explanation for uneven spatial development, the disciplines and theories charged with dealing with it have only begun to

spatialize the study of uneven development. As true as this is of sociology, economics, and demography, it is still more true of rural sociology, especially the branch concerned with problems of rural poverty, inequality, and underdevelopment within advanced industrial nations.

Uneven Rural Sociology

Despite periodic bouts of navel gazing and crisis mongering, too many rural sociologists remain captive to variations of the unfolding models of change described above. Abandoning the rural-urban continuum threatens to make the discipline obsolete or to overwhelm it with its more numerous and politically powerful urban counterparts. Hence, even when abstractly rejecting the dualistic notion of rural versus urban subject matter, in practice most rural sociologists stick to a residual rural niche defined largely by the absence of urban forms and its otherness from urban life. Rural sociology itself is the victim of uneven intellectual development.

Political Economy and Its Critique

Once again, a possible exception to this generalization also is found in the approach that is sometimes identified with political economy or critical theories. At the beginning of the last decade, concerned with the shrinking vistas for rural sociology, a number of its practitioners argued that the unique calling for rural sociology was to develop understanding of the political economy of agriculture (Newby and Buttel, 1980). The reason this is an exception is that its rationale lies not in its social or spatial contrast to urban development, but rather that it is what remains uniquely tied to rural locations and concerns in an increasingly urbanized and industrialized world. The logic of this approach follows from the standard political economy model which dictates that the social relations of production are the defining process of an area's social, political, and economic life. Since agricultural production must be located in the countryside even if the forms it takes are increasingly industrialized, it follows that rural society (and sociology) is formulated around this economic fact. In the same way that Markusen defined Appalachia on the basis of coal production, rural is defined by agricultural production. And the same criticisms apply: rural is more diverse, there are many other (and increasingly dominant) forms of economic activity, and these as well as the other realities of rural existence cannot be relegated to mere epiphenomena (superstructure in Marxist terminology).

In practice, over the last decade, this effort to redirect rural sociology has been only partially successful. While some of the most interesting research and discussion over the future of rural society has arisen from this perspective (see the works on the future of the family farm as debated in Mann and Dickinson, 1987; Mooney, 1987), more generally, rural sociology and social science have recognized the constrictiveness of this approach. There have been numerous influential discussions of the need to broaden the study of rural society beyond agriculture, especially at policy levels, and a great deal of empirical research in the last decade has followed this prescription. The Economic Research Service and the Aspen/Ford Rural Economic Policy Program have been behind many of these efforts (Brown and others, 1988). Other work has attempted to show how agriculture and other forms of industrial production combine to structure rural society, explicitly recognizing the diversity of rural socioeconomic life (Falk and Lyson, 1989; Labao, 1990).

This still leaves rural social science uncertain of its mission in an urbanized society. Despite good research on agricultural production and good research which looks beyond agriculture, the question of what is rural remains problematic because of a failure to directly confront the issue of the meaning of rural place. Rural is still either the residual category (what is not urban) or it is

defined in terms of particular forms of productive activities. Neither approach adequately addresses the realities of current rural life.

Beyond Rural Economic Production into the Realm of Reproduction

The problems of production-based approaches are broader than the lack of spatiality in these economic models. For the most part they also inadequately address issues of how to integrate social reproduction processes into the study of rural life and how these are spatially constructed and distributed. Social reproduction is used in the enlarged sense found in feminist and neo-Marxist theories to refer to the processes of reconstituting the social relations of human society necessary for all social and economic activities. Abstractly, it entails reproducing the systems of class and gender relations. More concretely, it covers all the work necessary to sustain household and economic activities, including childbearing, rearing, housework, household consumption, and a variety of other noneconomic activities. While the household is the locus for most of these activities, the State also plays a fundamental role in shaping how social reproduction is implemented. State involvement in reproduction entails a large number of diverse activities ranging from regulating the economy, to providing social welfare and assisting in the development of human capital. Finally, social reproduction in its entirety cannot be understood without understanding the linkages between the household, the State, and the economy (Dickinson and Russell, 1986). To this standard model of social reproduction, it is necessary to add that these processes occur in time and space, and that once again, understanding of the spatial dimension is lagging.

Problems in the Study of Rural Social Reproduction

This is not to say that rural social science lacks research on social reproduction activities and processes. There is an enormous body of work on these issues following the traditional rural-urban continuum approach. Since rural is the arena for study (disregarding for the moment how the boundaries of the arena are defined), anything that takes place within rural regions is fair game for study. This means there is a rich tradition of study of rural community families, organizations, and institutions, as well as rural socialization, education, politics, religion, ethnicity, cultural practices, and rural demography. This research ranges from community studies concerned with particular locales to national studies in which any place considered rural or any person living in a rural area is surveyed. Finally, there are rural-urban comparative studies in which the purpose is to delineate differences in any of the preceding topics. While all of these provide important sources of information on social reproduction, they share the limitations of studies in this tradition described above. They result in inventories of information about places defined as rural as well as a number of implicit or explicit comparisons with urban versions of the same phenomena. But since they are predicated on a notion of rurality undergirded by the rural-urban continuum, they do not offer much guidance for understanding the nature of rurality, places that are rural, or how these components of human society construct rural life and are constructed by it.

The political economy studies have had a different problem. Since this approach has traditionally relegated reproductive activities to a secondary status outside the formative realm of economic production, it has not devoted much attention to these topics. When it has, the tendency is to subordinate these to issues of production or State regulation and intervention. Fortunately, this is changing, heavily influenced by the women and development literature as well as new interest in race and gender issues, inequality, and theoretical advances made in feminist theory. No longer can studies of production isolate themselves from reproduction processes. For example, much of the research on the status and future of the family farm concerns itself with the household

division of labor, the relationship of different family members to the formal labor market, and variations of these processes across the life course (Barlett, 1986; Bokemeier and others, 1982; Buttel and Gillespie, 1984; Simpson and others, 1988). Nevertheless, integration of reproductive issues into these studies remains sporadic, secondary, or concentrated in the semi-ghettoized literature focusing on women and gender issues. Furthermore, since in rural sociology the political economy approach largely has concentrated on agriculture, it remains only inconsistently developed across the full realm of rural studies.

Examples of the Significance of Space in Social Reproduction

The importance of space in social reproduction ranges widely and can be illustrated by a number of examples. Urban geographers and sociologists describe the importance of the urban landscape for fulfilling family and household responsibilities. Much of this entails availability of resources, including access to consumer goods and services such as health care and child care. The relocation of neighborhood amenities has a major disruptive impact on the ability to satisfactorily perform gender-based tasks. Finally, there is evidence that women who work outside the home work closer to home than men and may even choose their employment on the basis of proximity while employers often locate on the basis of proximity to such captive sources of labor (Hanson, 1991; Hanson and Pratt, 1990).

Another example goes back to the family farm. Increasingly, this form of enterprise is partially supported by off-farm employment. Who among the household members works on the farm and who works off it is determined by a number of factors, including type of farm commodities, type of off-farm employment opportunities, individual human capital, and family composition and life course stage. Women with young children are more likely to engage in productive (economic) activities close to their reproductive (childrearing and household) responsibilities. This means they will be more likely to engage in farm work, informal labor market activities, or home-based employment depending upon the availability and location of formal labor market employment. As children leave home, women are less constrained, and the farm-household division of labor among family members may shift as their labor market opportunities expand.

Still another example comes from the ongoing study conducted by Bonnie Dill and her colleagues of poor women in rural communities in the Mississippi Delta (as reported in Center News, 1991). Although there are few opportunities for these women, and their living conditions are wretched, they are tied to their locale by dependence on networks of community and kin that would be sacrificed if they migrated. The importance of such networks reinforces the findings from classic studies of the urban poor (Stack, 1974; Gans, 1962). What is underscored in this work is the importance of the physical proximity of these networks for survival and the determining influence they have on life course decisions.

Household Geography

It may not be too fanciful to push this account even further into territory not generally considered in spatial terms. Giddens (1979) points out the importance of space (and its link with time) in even the smallest scale interaction. He cites Goffman's (1959) work on what he calls "regions," which are the locales for face-to-face interaction. Regions help structure the nature of communication between actors. They may be differentiated in their use to the point of incorporating very different meanings and values. One example of stratified space is found in his notion of "front and back regions" which correspond to arenas for socially acceptable versus compromising behavior and activity. The importance of household geography has been better recognized in literary circles (the classic example is Virginia Woolf's powerful essay, *A Room of One's Own*), by ethnographers who describe who does what *where* within the household, and by

some feminist scholars who have examined the spatial design of urban housing as it helps or hinders the performance of household activities and responsibilities (Hayden, 1981; Markusen, 1981). To my knowledge there is no comparable evaluation of rural household geography.

Role of the State

Finally, at the other extreme, the State has a major role in the creation and maintenance of social reproduction, but the spatial dimensions of this relationship are less well-understood. At the national level, the State is territorially defined, but within these parameters there are multiple layers of political and administrative boundaries. It is these overlapping and often competing jurisdictions that give concrete expression to the policies dealing with social reproduction. Social welfare and safety net, labor laws and regulations, expenditures for social goods, and so forth are well-known to vary geographically with major differences across regions and urban and rural locations. They are less clearly understood to shape geography itself (Jones and Kodras, 1990, 1991). This is even more apparent in the burgeoning literature emerging from gender and feminist theories that examine the complex interrelationships between State policies and gender based experiences and outcomes. Prominent examples include work on the gendered nature of the welfare system and State policies of control and regulation of biological reproduction (policies affecting fertility, conception, and contraception), but these rarely look beyond the crudest national or regional variation. There is much room for integrating spatial theories into this work.

Conceptualization and Measurement of Space

This critique has thus far focused on the importance of space and the inadequacies of the rural literature's treatment of this topic, but it has not yet specifically addressed the way space is typically incorporated both theoretically and empirically into this literature. Nor has it explicitly specified alternative approaches. In this section, I will briefly outline the ways space is conceptualized and measured in rural studies.

The two most common formulations for space in most social science are to conceptualize space as an arena or container for particular social activities or as a determinant of those activities. Numerous examples of both approaches come readily to mind, and the two are by no means mutually exclusive. In some sense, almost any study which defines its interests in terms of delineating social activity within rural areas uses the former approach. The subjects of study are located in rural areas defined by size of community, type of economic activity, or location and proximity to census-defined metropolitan areas. Most of rural sociology and demography exemplifies this approach. Virtually any issue of *Rural Sociology* will be dominated by such work.

The second approach is exemplified in the myriad studies that predict some sort of social behavior (education, occupation or income attainment, poverty status, marital and family status, attitudes and opinions, political activity, migration, etc.) using ecological or geographical measures as predictors. The data are the same or similar to those that define the arena approach, but this time they are incorporated as characteristics of the subjects of the study. Examples include size of community of origin or residence, farm residence or occupation, residence in or proximity to metro areas. Such studies may examine the impacts of either rural versus urban location or of variation within rural areas.

Two variations combine features of each. One is to use locational variables as control variables (either as independent variables in quantitative analyses or as stratifiers for separate models). A second more elaborate technique is to include contextual measures of the relevant spatial location for the subjects of the study. For example, a study of individual income inequality might include

measures of county level unemployment rates, poverty rates, or population composition, testing the hypothesis that these structure individual opportunity (See Tickamyer, 1991; Tickamyer and Latimer, 1991, for elaboration of this point).

The above examples are most easily recognized when individuals are the units of analysis, but the examples are not restricted to methodological individualism. Ecological studies using aggregate measures also can be classified in this way. For example, the arena approach might examine all rural or nonmetro counties in terms of economic activity, poverty rates, or demographic processes. The rural predictor approach would incorporate these same measures into models using counties, States, or other available geopolitical entities as units. Independent or control variables include population size, density, or metro status or proximity.

As discussed previously, these approaches are immensely valuable for providing information about how rural areas differ from urban, the variation within rural areas, and the relative importance of spatial and ecological measures. They are less satisfactory as explanations for why rural differs from urban, how they are connected, and how differences or similarities are generated. One reason they fail on this score is that they fail to incorporate the reconceptualization of space emerging from the critical geography literature and its followers. In this literature, space is conceptualized as socially constructed as well as a structuring factor of social relations. Space creates and is created by social relations of production and reproduction in a dialectical process that cannot give primacy to either side of the equation.

The Social Construction of Space

Typical rural social science is quite good at recognizing the structuring component of location, but fails miserably to recognize the agential aspects. The notion that spatial arrangements are socially constructed and that geography is a product of human activity is foreign to the models generally employed in empirical social science research, which takes geography as a given. In the following section, I will briefly outline three examples from diverse literatures to illustrate directions for rural social science.

Appalachia

The first example returns to the Appalachian case. On the surface, few would question that Appalachia is a region. Everyone knows this, and a mountain of research (not to mention policies, programs, and tax dollars) has been devoted to studying the region's problems. It is only when one looks closer that one discovers all the difficulties entailed in specifying its boundaries, whether historically or currently.

In fact, Appalachia may be the perfect example of the dialectical nature of geography. There is little evidence for the identity of an Appalachian region as it is currently constituted until it was defined in a *political* act with the creation of the Appalachian Regional Commission (ARC). But as is well-known, the politics of the ARC were such that the gerrymandered boundaries extended well beyond any reasonably grounded or even intuitively based definition (for example, topography, economy, local culture, etc.). It can be argued, however, that the creation of the ARC region in turn has affected the lives and opportunities of the region's residents. Furthermore, in the process, it may be creating an Appalachian identity that is partly defined by the official boundaries and partly in response to them. These issues are treated extensively elsewhere (Billings and Tickamyer, 1990), but they serve to indicate the intricacies of the relationship between space and society and the direction rural research needs to take in its effort to understand the social construction of space.

The Urban Growth Machine

The second example comes from the urban sociology of Logan and Molotch (1987) who elaborate a theory of urban development based on "growth machines." The growth machine is a set of pro-growth interests representing individual and collective groups of entrepreneurs and business interests in coalition with governmental agencies. These interests promote policies of and conditions for unregulated economic growth as a means of profiting from real estate markets. Places are conceptualized as commodities with both use value (they provide shelter, protection, sentimental meaning, etc.) and exchange value (they provide rent and profit). In pursuit of the latter, the growth machine engineers the social landscape to produce new exchange value, generally in disregard of use value. These manipulations create inequality among places (uneven development) and perhaps more profoundly, create place itself. Neighborhoods, zones, and political jurisdictions are created and dissolved in the pursuit of profit. As Logan and Molotch (1987: 43-44) state:

Places are not simply *affected* by the institutional maneuvers surrounding them. Places are those machinations. A place is defined as much by its position in a particular organizational web--political, economic, and cultural--as by its physical makeup and topographical configuration. Places are not "discovered," as high school history texts suggest; people construct them as practical activity.

Local Labor Market Areas

The final example comes from the work that created the D version of the 1980 Public Use Microsample (PUMS-D) and that will hopefully replicate it in 1990. PUMS-D is an effort to operationalize the concept of local labor market by constructing local labor market areas from census journey to work data. The concept of a labor market is employed to describe the exchange between buyers (employers) and sellers (workers) of labor power. It is an important intermediate institution incorporating a set of social relations that link household production and reproduction to economic production (under State control). While it evokes the image of an arena where this exchange takes place, in fact it is usually conceptualized in a highly abstract manner as a process that operates outside normal constraints of time and place. In part, this is because the operation of a labor market is in reality the aggregate of immense numbers of seemingly private transactions between workers and employers that do not actually take place in a central marketplace. Thus, there is an important conceptual distinction between labor markets and labor market areas. The aggregation of transactions between employers and workers is a set of social relationships, and it is this set of relationships which is defined as a labor market. Since the transactions occur in actual time and space, they are situated in a labor market area. To define labor market areas empirically, counties were grouped on the basis of commuting patterns data showing where people live and work. The resulting 382 county clusters defined local labor market areas, which became the primary sampling units for the D version of the 1-percent sample of the 1980 census (Tolbert, 1989; Tolbert and Killian, 1987).

This work is relevant for several reasons. First, it actively illustrates the joining of spatial relations to social relations by operationalizing the concept of a labor market with an empirically determined geography. In other words, the abstract set of social relationships composing a labor market is connected to a particular geographic area. Second, by constructing a geography that corresponds to a set of social relationships, it illustrates the way place is socially constructed. The local labor market areas do not directly correspond to official administrative boundaries, yet I would argue that if they are valid constructs, they have as much right to be considered real as any official area. Finally, they exemplify an effort to accomplish the previous tasks for *rural* areas.

They were devised by a consortium of rural social scientists who were interested in the construction of rural space and social relations.

Each of these cases exemplifies a slightly different aspect of the task of injecting spatiality into social theory and research. The first case baldly illustrates the construction of a region. The second delves into the forces that push this process. The last case deviates from the others by using an example designed to study rural space and by providing an empirical example of how new quantitative research can be conducted on this process (incidentally illustrating that it is not limited to case study or historical methods).

Toward a Spatialized Rural Sociology of Uneven Development

The implications for students of rural uneven development begin to be discernible. The elements of this approach include the following:

- The dictum described above that geography is socially constructed as well as structuring of social life. This has already been discussed extensively.
- The necessity of locating the actors, ideologies, and political and economic events and forces that shape and respond to geography to understand its construction. As described by Billings and Tickamyer (1990), the actors instrumental in creating Appalachia ranged from 19th century ethnologists, to the 20th century State, radical poverty workers and organizers, and the institutionalization of Appalachian studies in the university. Similarly, Logan and Molotch (1987) describe the different types of entrepreneurs active in pursuing the urban "growth machine" who are instrumental in creating the landscape of the modern American city. Studies of the structure of agriculture have identified conflicting class interests. These efforts need to be broadened to include other forms of production and equally important to be linked more systematically to processes of reproduction.
- The recognition that in an advanced capitalist society the actors include the various forms of capital (corporate, financial, and so forth), the State, classes, other identifiable collective actors (for example, race and ethnic groups), households, and individuals. The kinds of studies of the political economy of agriculture discussed earlier make a good start at this effort, but as described, they too often focus on factors of production, ignoring reproduction, and they take space as a given rather than a dynamic part of the model they attempt to create. To integrate factors of reproduction as well as production, it is necessary to incorporate models of gender relations (patriarchy) as well as class relations (capitalism), and to move beyond these to include race and ethnicity as well.
- As implied in the point above, the importance of multilevel analysis, including all layers of social life from macro to micro. For example, analytic models using individual units of analysis need to incorporate characteristics of space and place, institutions, organizations, and household structures in which the subjects are embedded. Recent studies of both urban and rural income and poverty exemplify this approach. Wilson's (1987) work on urban ghetto poverty provides both positive and negative illustrations. The power of his argument lies in his ecological model that argues that part of the deprivation experienced by the urban poor is the result of the extreme social and cultural isolation found in the ghetto as a result of new opportunities for middle class African-Americans. The most notable weakness in his argument lies in his failure to include an adequate account of gender and household factors. My own work examining rural poverty using PUMS-D attempts (with mixed success) to analyze rural working-age poor people's household

income using individual, household, and local labor market area measures (Tickamyer, 1991; Tickamyer and Latimer, 1991).

- The importance of linking time and space. Virtually all the examples discussed need to be understood as the simultaneous interplay of historical, spatial, and social factors. There is an understandable tendency in social science research to act as if there were a social version of an uncertainty principle in operation--an inability to analytically isolate or focus on more than one process at a time. This paper criticizes historical work that forgets to examine space, studies of production that ignore reproduction, and the geographically sophisticated literature that diminishes the importance of any of the other factors. Given the vitality of historical sociology and social history in recent years, there is a much greater dearth of good spatial conceptualization than temporal, but even more seriously missing is the simultaneous examination of all three elements of social life.

Uneven development is a political process, the outcome of struggles over resources that take place in time and space. The depressed economies of rural areas, the persisting poverty of many remote areas, the simultaneous depletion of rural areas of their populations and their resources are outcomes of these struggles. The importance of this perspective is that it makes it clear that the problems of rural places are a product of human agency as well as the outcome of larger forces. This underscores that these problems are political, and thus, so are the solutions; that is, they are amenable to policy intervention and manipulation. This runs counter to the perspective of an individual actor to whom it may appear that the problems of lagging regions are the outcomes of historical forces far beyond the control of individuals and groups. It also is contrary to the de facto wisdom of many social scientists whose disciplines are better at demonstrating the way opportunity is structured by larger social and historical factors than at showing the reverse effects. It fits all too well with the politics of many of the political actors whose interests coincide with the exploitive practices that create uneven development. In this paper, I have argued that there is a politics to time and place that is part of the process of creating these times and places. Only through social theories that capture the complexity of these relationships can effective social policies be constructed.

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Alternative Explanations of the Sources of Uneven Population Change in Contemporary America

Perspectives on Recent Demographic Change in Metropolitan and Nonmetropolitan America

William H. Frey¹

Introduction

Few demographic phenomena have received the kind of attention from academic social scientists, policymakers, and the popular press that was given to the "nonmetropolitan turnaround" of the 1970's (Brown and Wardwell, 1980; Fuguitt, 1985; Naisbitt, 1982).² Some of this fascination was undoubtedly prompted by the novelty of seeing urbanization come to a complete halt in the world's most industrialized nation. This, after all, countered most conventional wisdoms and theories of urban development. Still, other writers were drawn to the prospect that residential preferences for a rural location could come into fashion and be actualized in much the same way that childbearing became fashionable during the 1950's.

Whatever the reasons, the "turnaround" phenomenon generated a great deal of interest, debate, and serious theorizing over the forces that shape rural and nonmetropolitan population change. More so, I dare say, than the so-called "reversal of the turnaround" that occurred during the decade that just ended.³ Many academic social scientists appear to be focusing attention on urban problems such as the inner city underclass (Jencks and Peterson, 1991), while the popular press is heralding the fact that we are becoming a suburban society with most Americans residing in large metropolitan areas (*The New York Times*, 1991). However, as this group knows so well, the new, selective patterns of rural and nonmetropolitan population decline present even greater challenges to local economies, to policymakers, and, as well, to social science theorists than did the surprising growth patterns of the 1970's (Brown and Deavers, 1988).

I will not attempt to present here a new theory or explanation for the nonmetropolitan population changes of the 1980's or 1990's. Instead, I would like to draw on some of the ideas that grew out of the rich literature that was offered to explain the redistribution reversals of the 1970's. I do this on the assumption that each decade's redistribution patterns are not disjointed events, but are shaped by common social and economic forces that evolve over time. One study suggests that the 1970's was a "transition decade" in the recent history of U.S. population redistribution as a result of new social and economic contexts that emerged over that period (Frey and Speare, 1988).

¹ The author wishes to acknowledge the assistance of John Price-Wilkin of the University of Michigan Library and Albert Anderson of the Population Studies Center for accessing 1990 census data from the CENDATA computer retrieval system and the Public Law 94-171 CD-Rom files. He also expresses his gratitude to Cathy Sun of the Population Studies Center for her programming and research assistance.

² Names in parentheses refer to sources listed in the References at the end of this chapter.

³ European scholars and policymakers have a continuing active interest in urbanization-counterurbanization patterns for the 1980's decade. See Champion (1989) for a recent review.

Another assumption I will make is that nonmetropolitan area population change does not occur in isolation of forces that affect redistribution across the Nation's entire metropolitan and regional settlement system. Nonmetropolitan America has become increasingly integrated economically, socially, and demographically into a national system of settlement (Fuguitt, Brown, and Beale, 1989). Hence, explanations that focus on the entire settlement system rather than a specific part are most worthy of consideration.

In the section that follows, I will review three broad approaches that have been proposed to explain the redistribution reversals of the 1970's. This is followed by an evaluation of how these explanations fare in accounting for metropolitan and nonmetropolitan demographic trends over the 1980-90 period.

Additional sections will discuss the fate of the rural renaissance and how aspects of the Nation's current demographic structure might mediate future redistribution patterns.

Perspectives on the 1970's

While the nonmetropolitan turnaround--where the Nation's nonmetropolitan population grew faster than its metropolitan population--received a great deal of attention, two related redistribution reversals of the 1970's are noteworthy as well. Within the metropolitan population, there was a redistribution down the size hierarchy such that the Nation's largest metropolitan areas grew more slowly than smaller sized ones. Across regions, the redistribution out of the North (that is, the Northeast and Midwest census regions) accelerated, with a greater portion of the South and West region gains accruing to the former region. Together, these reversals across nonmetropolitan, metropolitan, and regional categories led toward increased population flows to smaller sized, less dense, and less developed portions of the Nation's spatial system (Frey and Speare, 1988). This constituted a distinct departure from previously dominant redistribution patterns and led to a variety of theories and explanations. At the risk of oversimplification, I have distilled these explanations into three broad perspectives.⁴

Period Explanations

Period explanations attribute the 1970's nonmetropolitan population gains and metropolitan declines to a unique array of economic and demographic circumstances that converged during that decade.⁵ These include economic factors such as the energy crisis and the decade's recessions. The oil shortage associated with the former precipitated extensive development of extractive industries in nonmetropolitan counties of the Southwest, mountain West, and Appalachia. Worldwide agricultural surpluses stemmed the migration flow away from farming communities. The mid-decade recession and continued economic stagnation served to reduce the job-generating capacities of large industrial metropolitan areas but served to filter low-skilled, low-paying manufacturing jobs to smaller communities in the Rustbelt and Southeast.

Demographic developments, unique to the 1970's, were also cited as period explanations. It was during this decade that the huge baby boom cohorts "came of age," and increased the populations of small community college towns. Later, as they attempted to enter an oversaturated Northeast urban labor market, they were driven South and West. It was also during this decade that large

⁴ The following discussion draws from more extensive treatments of these perspectives in Frey, 1987 and 1989.

⁵ These period effects are discussed in more detail in Wardwell and Brown, 1980; Richter, 1985; Garnick, 1988.

birth cohorts (those born in the 1910's and 1920's) entered their retirement ages and raised demands for nonmetropolitan-located residences.

In short, period explanations treat the 1970's redistribution reversals as aberrations that should subside after the period's short-term economic and demographic dislocations become stabilized.

Regional Restructuring Perspective

Regional restructuring explanations focus more heavily on the metropolitan area declines of the 1970's although they take a national and even global perspective. These writers attribute 1970's metropolitan declines to some of the same economic dislocations as the period writers.⁶ Yet, the restructuring theorists view deindustrialization-related decline as a short-term episode leading toward a new spatial organization of production. This new spatial organization is associated with expanding worldwide markets, improved communications and production technologies and, most important, the rise of the multinational corporation. According to this view, continued agglomeration will accrue to those metropolitan areas that function as advanced service centers and as headquarter centers for corporations, banks, and like institutions. Growth is also foreseen in areas with "knowledge-based" industries associated with high-tech research and development. On the other hand, metropolitan areas that cannot successfully make the production-to-services transformation will continue to decline.

Noyelle and Stanback (1984) suggest that the foundation of recent redistribution reversals lies with the enhanced role of services--particularly business services--and the diminished role of labor-intensive manufacturing production in national economies. A large part of this transformation, as they view it, has occurred within the service sector itself. Services are seen less as final products and more as "inputs" in the production process--in knowledge-based activities like engineering, research and development, and planning. Such activities, they believe, will continue to expand and also benefit from certain economies of agglomeration. The multi-locational corporation is a key agent in this transformation because it disaggregates a division of labor across a network of places and leads to a centralization of higher level service activities in specific metropolitan areas.

The regional restructuring perspective does not foresee continued growth for smaller metropolitan areas and nonmetropolitan communities that engage in routine production and consumer service activities. Growth that might occur in these "subordinate" areas is likely to be constrained by the vagaries of external decisionmaking on the part of absentee corporations with centers located in larger metropolitan areas.

Deconcentration Perspective

The deconcentration perspective draws from the writings of demographers in the human ecology tradition (Hawley, 1978; Wilson, 1984; Wardwell, 1980) in their attempts to explain both the nonmetropolitan turnaround and redistribution down the metropolitan size hierarchy. Like the

⁶ A distinction can be drawn between those regional restructuring theorists (as I term them) who espouse an evolutionary "postindustrialization" explanation (Noyelle and Stanback, 1984) and those who adopt what might be termed a "deindustrialization" explanation (Tomaskovic-Devey and Miller, 1982; Smith, 1984; Castells, 1985; Scott and Storper, 1986). The former view sees regional restructuring changes to have evolved, progressively from technological innovations in production, widening transportation networks, scientific breakthroughs in telecommunications, and the like. While the deindustrialization writers also recognize these technological innovations, they see the primary triggering mechanism for restructuring rooted in a worldwide economic crisis during the 1970's that forced capitalists to disinvest heavily in selected economic sectors and in regions dominated by those sectors. These writers tend to be critical of excessive capital mobility and the dislocations that such mobility inflicts upon workers and communities. Yet their descriptions of consequent metropolitan and regional redistribution tendencies coincide closely with those who hold the postindustrialization view.

regional restructuring perspective, the deconcentration perspective takes cognizance of changes in developed economies' industrial structures and the effects of technological innovation on production activities. However, in addition to these influences, this perspective attributes considerable importance to the role of residential consumer preferences in location decisions.

It takes the view that longstanding residential preferences toward low-density locations are becoming less constrained by institutional and technological barriers. The changing industrial structure, rising standard of living, and technological improvements in transportation, communication, and production are leading to a convergence--across size and place categories--in the availability of "urban" amenities that were previously accessible only in large places. As a consequence, deconcentration writers suggest that the 1970's counterurbanization tendencies represent the beginning of a long-term shift toward the depopulation of urban agglomerations in all regions.

At the nub of this new convergence is the changing role of distance in determining the social organization of space--leading away from the situation where both producer and consumer space were constrained by the geographic limitations and transport costs of producer activities and toward a greater locational flexibility on the part of both firms and households (Wardwell, 1980). Small and nonmetropolitan areas are not considered to be reservations for routine production activities. Rather, those areas with appropriate amenities are expected to become populated by a broad mix of residents who will be able to find white collar employment in firms that are becoming increasingly deconcentrated in response to a greater competition for well-trained workers.

This perspective sees a much more fundamental redistribution shift underway than that suggested by the regional restructuring perspective. Perhaps the only area of agreement across the two lies in the short-term decline both predict for industrial manufacturing centers. The deconcentration perspective predicts similar long-term redistribution tendencies for large metropolitan areas of all types and a continued dispersal of the population toward smaller communities.

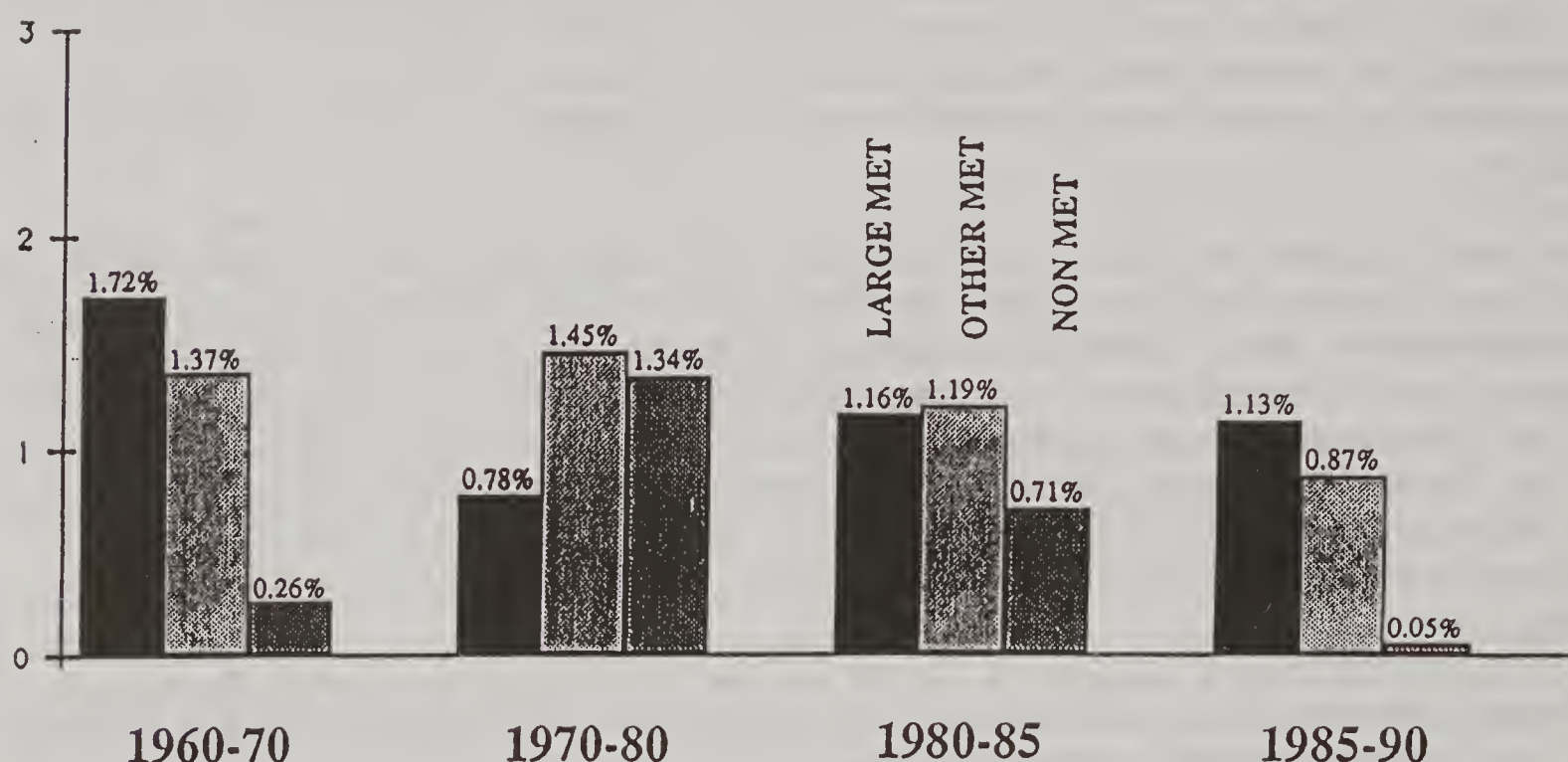
Impacts on Redistribution

There were a variety of period, restructuring, and deconcentration influences that clearly converged together to affect the strong counterurbanization tendencies of the 1970's (Beale and Fuguitt, 1978; Fuguitt, Brown, and Beale, 1989; Frey, 1990). This is evident from national patterns that show sharp declines in growth for the Nation's largest metropolitan areas and dramatic gains for its nonmetropolitan areas (see fig. 1). The nonmetropolitan gains were particularly pervasive, such that 80 percent of the Nation's nonmetropolitan counties gained population (compared with less than 45 percent in the two prior decades). While large metropolitan growth slowdowns were evident in each broad region, actual declines were concentrated among a handful of major metropolitan areas in the North (see table 1).

All three of the perspectives presented above explain some portion of these reversals. Nonmetropolitan and small metropolitan gains arose from a number of sources, including the relocation of low-skilled, low-wage manufacturing activities to the Southeast and parts of the Midwest (a regional restructuring effect), the growth of extractive industries in the South and West, as well as gains for Midwest counties specializing in agriculture (both responses to period forces), and recreation and retirement-related growth in Florida, Arizona, and other scattered areas (a deconcentration effect). Declines in large metropolitan areas, particularly in the industrial North, are attributed by some observers to short-term period effects, and by others to a longer term industrial restructuring of the economy.

Figure 1.

TOTAL U. S. ANNUAL POPULATION CHANGE



Evaluation of the 1980's

While together the three perspectives accounted for the redistribution reversals of the 1970's, each differs from the other in its projected scenario for the 1980's and 1990's.

Period explanations essentially saw the 1970's as a distortion of long-term urbanization patterns. This implies that more traditional urbanization patterns should re-emerge once the 1970's demographic and economic shocks have subsided. Sunbelt growth would be expected to continue. However, within each region, large areas would grow at the expense of smaller ones and growth in the traditional centers of industry and service would be established. Of course this "return to the past" scenario implied that no new exogenous shocks would occur in the 1980's. This assumption turned out to be false.

The post-1980 scenario of the regional restructuring perspective foresaw a return to urbanization, but in new locations. The metropolitan losses of the 1970's were seen as part of a structural change in the Nation's industrial makeup. Future growth should occur in metropolitan areas that serve as corporate headquarter centers, as well as those that specialize in information and "knowledge-based" activities. Hence, renewed growth was forecasted for northern metropolises that already hold strong profiles as corporate and finance centers and for some that specialize in new industries. Poorer growth prospects were forecasted for single-industry areas, particularly those that are tied to natural resources and old-line manufacturing. Further, unstable growth prospects were seen for smaller "subordinate" cities and nonmetropolitan communities that are engaged in a peripheral, routine production activity that might be phased out by external decisionmakers.

Table 1--Percent population change for region and metropolitan categories, 1960-90¹

| Region and metropolitan category | 10-year percent change | | | | 5-year percent change | |
|----------------------------------|------------------------|----------------|---------|---------|-----------------------|---------|
| | 1990 size | 1960-70 | 1970-80 | 1980-90 | 1980-85 | 1985-90 |
| | <i>Millions</i> | <i>Percent</i> | | | | |
| North: ² | 111.0 | 9.8 | 2.2 | 2.4 | 1.1 | 1.2 |
| Large metro | 62.9 | 12.0 | -0.9 | 2.8 | 1.3 | 1.5 |
| Other metro | 25.6 | 11.1 | 5.2 | 3.3 | 0.9 | 2.4 |
| Nonmetro | 22.6 | 2.6 | 8.0 | 0.1 | 0.7 | -0.6 |
| South: | 84.9 | 14.2 | 20.1 | 13.3 | 8.6 | 4.3 |
| Large metro | 28.2 | 30.9 | 23.4 | 22.3 | 12.3 | 8.9 |
| Other metro | 31.9 | 15.5 | 20.9 | 13.4 | 8.8 | 4.2 |
| Nonmetro | 24.9 | 1.1 | 16.3 | 4.6 | 4.9 | -0.3 |
| West: | 52.8 | 24.6 | 24.0 | 22.2 | 10.7 | 10.3 |
| Large metro | 33.8 | 29.1 | 20.0 | 24.2 | 10.9 | 11.9 |
| Other metro | 10.8 | 24.8 | 32.2 | 22.8 | 11.4 | 10.2 |
| Nonmetro | 8.1 | 9.0 | 30.6 | 14.1 | 9.1 | 4.6 |
| U.S. totals: | 248.7 | 13.4 | 11.4 | 9.8 | 5.4 | 4.1 |
| Large metro | 124.8 | 18.5 | 8.1 | 12.1 | 6.0 | 5.8 |
| Other metro | 67.9 | 14.6 | 15.5 | 10.8 | 6.1 | 4.4 |
| Nonmetro | 56.0 | 2.2 | 14.3 | 3.9 | 3.6 | 0.3 |

¹ Metropolitan areas are defined according to constant boundaries determined by the Office of Management and Budget as of June 30, 1990. Large metropolitan areas include 39 Consolidated Metropolitan Statistical Areas and Metropolitan Statistical Areas with 1990 populations exceeding 1 million.

² These regions are consistent with standard census divisions where the North region represents the combined Northeast and Midwest census regions. When an individual metropolitan area overlaps regions, its statistics are assigned to the region where the principal central city is located.

Source: U.S. Bureau of the Census, 1960, 1970, 1980, 1990 decennial censuses and 1985 estimates prepared by the Population Division.

Deconcentration perspective proponents forecasted the continued dispersal of the population away from densely settled agglomerations. These would be mediated by changes in the Nation's industrial structure and improvements in communication and production technologies that would permit both employment opportunities and "urban" amenities to be accessible to residents of small communities and in remote locations that offer an improved quality of life. A continuation of the 1970's redistribution patterns suggests increased growth for the nonmetropolitan areas and small metropolitan areas, particularly in the South and West.

Redistribution in the 1980's

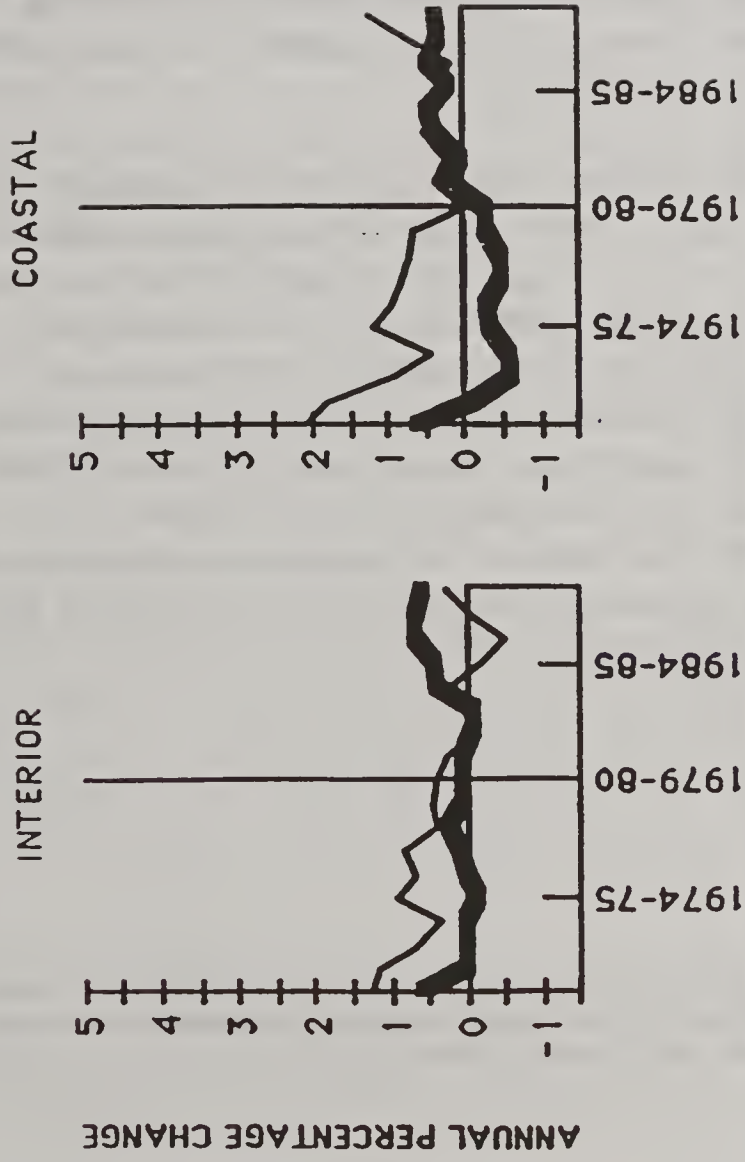
The evidence for the 1980's provides far greater empirical support for the "period" and "regional restructuring" perspectives than for the "deconcentration" perspective. Of course, the period perspective's forecast of a "return to the past" urbanization pattern had to be modified to account for significant new period effects, which had particularly adverse impacts on nonmetropolitan and small metropolitan areas in the 1980's (Beale, 1988; Beale and Fuguitt, 1990). Regional restructuring forecasts, on the whole, successfully characterized the 1980's growth experiences of large metropolitan areas (Frey, 1990; Frey and Speare, 1991). However, new national trends in metropolitan and nonmetropolitan growth during the 1980's made plain that the deconcentration forecasts of broad based, continued population dispersal were overstated (see fig. 1).

Beale's (1988) account describes how the nonmetropolitan population growth was hit hard by the period influences of the 1980's--including two severe recessions, an overvalued dollar, a worldwide decline in food prices, and the decline in oil prices. In essence, the worldwide and cyclical forces that stimulated the sharp 1970's growth rises in manufacturing and resource-based nonmetropolitan counties, served to turn this growth on its head in the 1980's. Manufacturing counties were particularly hard hit by the recessions and overvalued dollar of the early 1980's. The domestic farm financial crisis led to growth declines for agricultural counties in the middle part of the decade. Perhaps most dramatic were the changing fortunes of mining and petroleum industries that turned boom to bust in mining counties for the mid and latter years of the 1980's.

The impact of industrial restructuring was a more dominant influence on large metropolitan area growth and decline during the 1980's. As the theory predicted, areas with more diversified, producer service-based economies were able to overcome their deindustrialization-related losses of the 1970's. Some areas, such as New York and Boston, were well poised to build on their strengths in financial services and high-tech development. Other areas, such as Detroit, Cleveland, and Pittsburgh--still heavily wedded to old line manufacturing--exhibited decade-wide population declines, while places like Houston and Denver--with economies tied to boom-then-bust extractive industries--experienced fluctuating growth patterns. On whole, large metropolitan areas (with greater than 1 million population) regained their growth advantage over small metropolitan areas and nonmetropolitan areas. The gains were led by Sunbelt areas with diversified economies, growing industries, and areas specializing in retirement and recreation.

Nonmetropolitan and small metropolitan area declines of the 1980's were tied to similar causes--reversals of the same economic forces that promoted their growth in manufacturing and resource-based industries in the 1970's. These forces led to the accelerated 1970's small and nonmetropolitan growth levels in the South and West regions, which have now reverted to dramatic growth slowdowns--particularly in the South for the late 1980's (see table 1). The declines of the 1980's were concentrated in the interior portions of the Sunbelt, where many single industry and resource-based communities are located (see fig. 2). Similar declines are shown for nonmetropolitan areas in the interior (Midwest) portions of the North for communities specializing in agriculture and manufacturing. Ironically, the greatest regional restructuring driven

NORTH



SOUTH

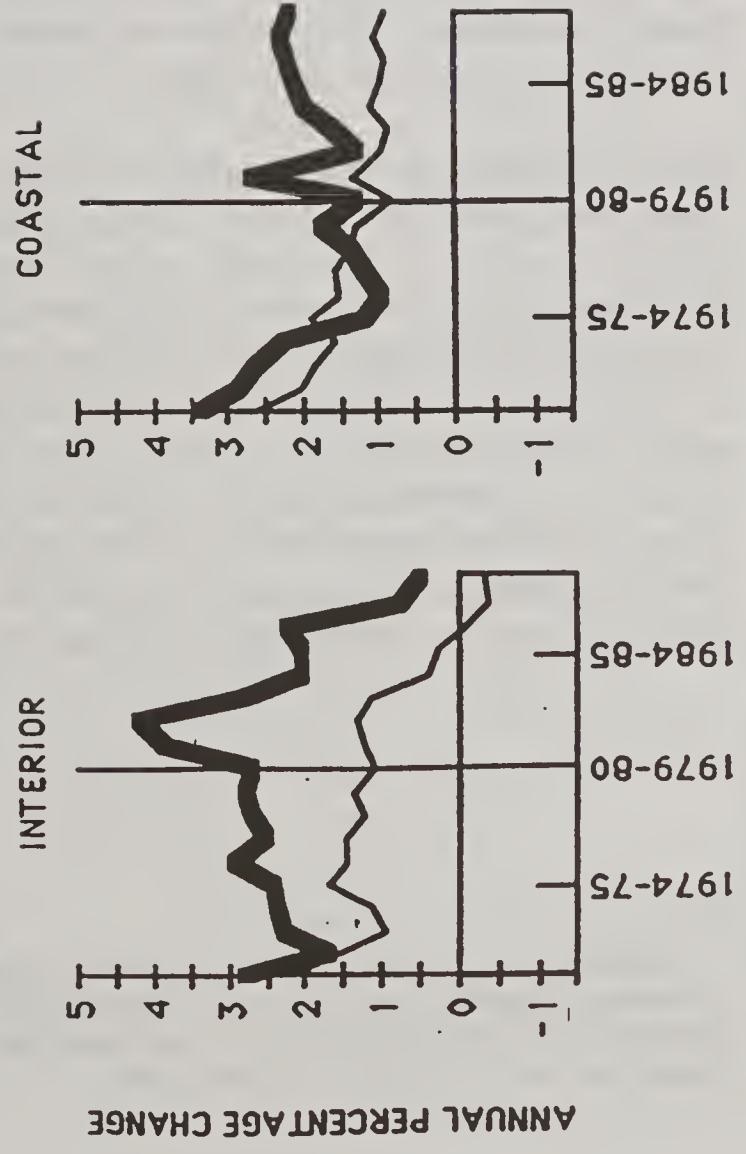
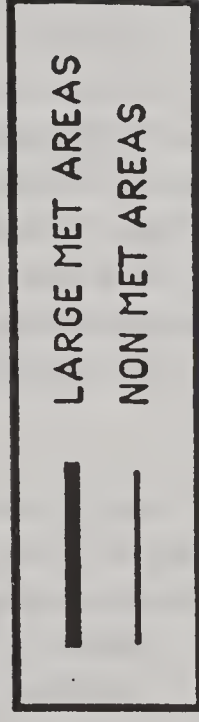
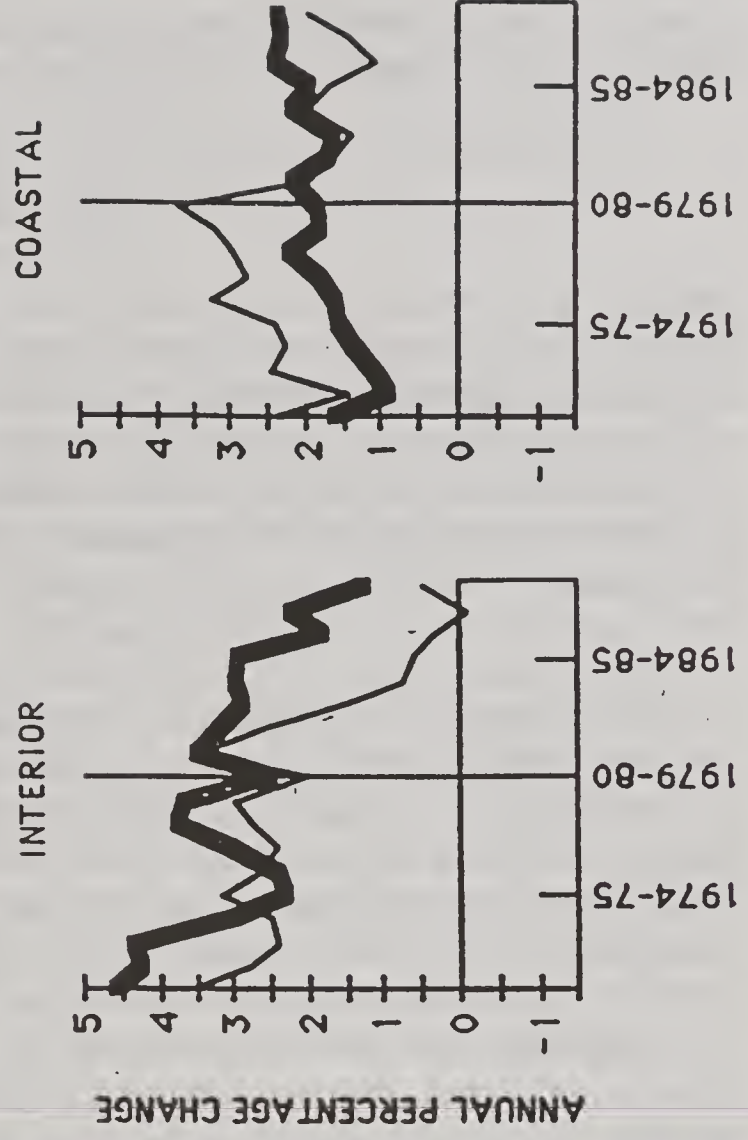


Figure 2. Annual Percent Population Change for One-Year Periods 1970-71 to 1987-88: Interior and Coastal Portions of North, South, and West Regions



WEST



gains for large metropolitan areas are located in the coastal portions of these regions in light of their historical strengths as trade, finance, and recreation centers (Frey and Speare, 1991).

The Rural Renaissance

The strong nonmetropolitan growth of the 1970's, brought about by a variety of forces, led to the illusion that a pervasive "rural renaissance" was in the offing. While the grandiose theories suggesting long-term shifts in the Nation's settlement patterns were not borne out, there is evidence of continued rural renaissance-type population growth for selected communities. Indeed, the underpinning of the deconcentration perspective was a view that residents would now be able to actualize long-held preferences for nonmetropolitan locations that were heretofore constrained. Two kinds of nonmetropolitan counties continued to show gains in the 1980's, and both represent tendencies for residents to actualize such preferences.

The first of these is the continued growth of nonmetropolitan retirement counties (Beale, 1988; Beale and Fuguitt, 1990). These grew faster than any other category of nonmetropolitan county and continued to outpace the Nation's population growth rate. These counties are scattered across most States but are concentrated in Florida, the upper Great Lakes, Southwest, and West. Their growth is significant because in attracting the elderly retired population, they are drawing perhaps the most "footloose" population whose preferences are least constrained by employment locations. Increasing numbers of elderly movers, with significant discretionary incomes, put these nonmetropolitan counties in good stead for continued population and economic growth, since the presence of retired persons creates employment in service, construction, and other complementary activities for younger persons in the labor force.

The second category of nonmetropolitan growth, which also represents the fulfillment of residential preferences, involves the continued gains for so-called "exurban" counties that lie adjacent to metropolitan areas and show strong connectivity to these areas through commuting. Residents selecting these counties often hold the distinct preference to live close to a major urban center but not inside it (Zuiches, 1981; Fuguitt and Brown, 1990).

While the fastest growing exurban counties tend to lie adjacent to and later become subsumed by fast-growing metropolitan areas (Fuguitt, Brown, and Beale, 1989), many of these communities still retain a rural and nonmetropolitan character. It raises the question (though off the topic of this paper) of how well county-based metropolitan definitions serve to designate the difference between communities with metropolitan and nonmetropolitan characteristics.⁷ The continued gains of retirement and exurban counties alone clearly will not revive the strong nonmetropolitan growth levels observed during the 1970's. As we now know, these accrued to a number of global, cyclical, and restructuring related changes that are not likely to converge together again. However, the strong attraction of these areas for individuals who are not subject to constraints on their preferences suggests that there can be a strong demand for the amenities and quality of life offered by smaller communities when economic conditions permit.

⁷ The importance of metropolitan definitions for defining growth in both metropolitan and nonmetropolitan populations is pointed up in studies which show that the addition of new metropolitan territory (through the expansion of existing metropolitan areas or the emergence of new metropolitan areas) has contributed significantly to total metropolitan population change in recent decades (Fuguitt, Heaton, and Lichter, 1988; Frey and Speare, 1988).

Demographic Structure and Future Settlement Patterns

In addition to the broad social and economic forces discussed above, there are aspects of the Nation's demographic structure that affect redistribution patterns between metropolitan and nonmetropolitan America. Two of these, which will become increasingly important, are the population's age-cohort structure and its racial and ethnic diversity.

The age-cohort structure of a population tells us the relative size of that subpopulation that resides in the "peak migration ages" of 20-34. It also enables us to track the migration and redistribution experiences of specific cohorts as they pass through these peak migration ages. This is important, because areas (metropolitan or nonmetropolitan) that are able to capture a disproportionate share of cohort members, during these ages, will tend to retain many of them for most of their remaining working lives (Frey, 1986).

It has been speculated that some of the 1970's reversals in small metropolitan, nonmetropolitan, and Sunbelt locations were fueled by the paucity of Northern urban employment opportunities available to the large baby boom cohorts then passing through these ages (Wilson, 1983; Plane, 1989). This suggestion is supported by the migration rates in figure 3. Outmigration rates from South and West nonmetropolitan areas were lower among residents in their "peak migration ages" in 1975-80 (when the baby-boom cohorts dominated these ages) than were the rates observed for 1965-70. North large metropolitan immigration ratios for these ages correspondingly decreased between 1965-70 and 1975-80. These patterns resulted in lower rates of net outmigration, for these ages, in South and West nonmetropolitan areas, and greater rates of net outmigration in large North metropolitan areas (right-hand plots in figure 3).

The net migration patterns for 1980-85 suggest a re-reversal of these patterns for the peak migration ages.⁸ While baby boomers still dominate in these ages, the older members of these cohorts have already been assimilated into the job market and the smaller baby bust cohorts are just beginning to enter these ages. I do not wish to overemphasize this "cohort explanation" of age-specific migration patterns. However, the tracking of different cohorts' redistribution experiences, as they pass through these peak migration ages, telegraphs the shape of distribution patterns to come. These early 1980's net migration patterns, coupled with later decade survey data (Lichter McLaughlin, and Cornwell, 1990) suggest that nonmetropolitan areas are, again, less attractive for younger cohorts.

One bright spot for nonmetropolitan areas, evident from the 1980-85 net migration rates, is the continued attraction of these areas for the elderly population. The migration of the elderly to nonmetropolitan communities predated the "turnaround" of the 1970's (Fuguitt and Tordella, 1980; Heaton, 1983; Longino, and others, 1984), and has remained a significant source of nonmetropolitan population gain. This source should become even more important for nonmetropolitan America as the large baby boom cohorts approach their retirement ages.

Another aspect of the Nation's demographic structure, relevant to nonmetropolitan areas, is the increasing growth of racial and ethnic minorities. According to the 1990 census, non-Hispanic whites grew by only 4.7 percent over the 1980-90 decade in comparison with 11.9 percent for non-Hispanic blacks, 53 percent for Hispanics, 107.8 percent for Asians or Pacific Islanders, and 37.9 percent for American Indians, Eskimos, or Aleuts. Of these groups, the redistribution

⁸ The 1989-85 age-specific net migration measures in figure 3 were derived by using an indirect survival methodology with age-disaggregated population data from the 1980 decennial census and from the 1985 experimental county population estimates by age, sex, and race, produced by the Population Division, U.S. Bureau of the Census. Comparable age-specific immigration ratios and outmigration rates are not available for the 1980-85 period.

patterns of blacks have been monitored most consistently in the demographic literature as they shifted from a largely rural Southern population to a predominantly metropolitan population (Taeuber and Taeuber, 1965; Farley and Allen, 1987; Long, 1988). In the immediate postwar decades, black redistribution patterns tended to counter, or at least lag behind, those of the white population. As whites moved from the North to the South and West, and from central cities to suburbs, blacks relocated out of the South to cities of selected large Northern and Western metropolitan areas. With the 1970's, black redistribution became somewhat more consistent with nonblack trends (see table 2). There was an increased movement back to the South and, although to a lesser extent than for nonblacks, toward small metropolitan and nonmetropolitan areas. During the 1980's, significant black Southern growth continued, at least for large metropolitan areas in the South.

Although the evidence at this point is sketchy, it is likely that a polarization of black migration patterns is emerging. On one hand, upwardly mobile middle class blacks are relocating to suburban and inter-regional destinations--similar to white migration patterns of past decades. Many of these blacks, like whites, will choose to move to large "New South" metropolitan areas. On the other hand, a segment of less well-off blacks with low skills and poor employment prospects are becoming increasingly isolated in both inner city neighborhoods and rural nonmetropolitan communities (though recent studies by Cromartie and Stack (1989) and Johnson and Roseman (1990) have documented migration streams connecting these two types of places). These polarized black migration patterns would not appear to benefit South nonmetropolitan areas where high levels of white and black poverty continue to exist (Fuguitt, and others, 1989; Lichter, 1989).

Each of the other growing minority groups, except for American Indians, Eskimos, or Aleuts, are much more heavily urbanized than the native white population. Although Mexican Americans show some nonmetropolitan concentration in selected Southwest and California counties (see table 3), their recent internal and immigrant destination patterns tend to favor urban and metropolitan locations (Bean and Tienda, 1987; McHugh, 1989). Asian Americans are the most urbanized of the growing minorities and except for some rural concentration in Hawaii, are unlikely to penetrate nonmetropolitan communities to a great degree. These distribution trends for the growing American minorities, coupled with the lower fertility of the nonmetropolitan population (Fuguitt and Beale, 1990), suggest slow near-term growth prospects for much of nonmetropolitan America.

Final Observations

The perspectives on metropolitan and nonmetropolitan demographic change reviewed here suggest a less rosy growth scenario for rural and nonmetropolitan communities than was forecasted 10 years ago when the 1980 census results were presented. The "rural renaissance" predictions of that time failed to disentangle the mix of period, restructuring, and deconcentration influences that merged to provide the illusion that an era of dispersed settlement had begun. The social and economic "period effects" of the 1980's were unduly harsh on much of nonmetropolitan America and this experience should not prompt us, now, to be overly pessimistic about the future.

On the other hand, it should serve to remind us that a strong reliance on resource-based and low-skilled industries is not a recipe for stable demographic growth. Nor will the drawing power of largely residential resort-retirement counties and exurban communities serve to reverse long-term urbanization trends. Just as industrial restructuring and economic diversification has led to some economic and demographic revival in many metropolitan areas in the 1980's (Frey and Speare, 1991), similar efforts in nonmetropolitan communities should lead to future gains there. In the

Table 2--Percent population change for blacks and nonblacks by region and metropolitan categories, 1960-90¹

| Region and metropolitan category | 1990 population | | Percent change of blacks | | | Percent change of nonblacks | | |
|----------------------------------|-----------------|------------------|--------------------------|---------|---------|-----------------------------|---------|---------|
| | Percent black | Percent nonblack | 1960-70 | 1970-80 | 1980-90 | 1960-70 | 1970-80 | 1980-90 |
| North: | 37.8 | 45.3 | 37.7 | 14.2 | 11.2 | 7.7 | 1.1 | 1.4 |
| Large metro | 31.7 | 24.0 | 39.1 | 13.1 | 10.3 | 8.8 | -3.0 | 1.5 |
| Other metro | 5.0 | 11.1 | 36.9 | 23.2 | 15.5 | 10.3 | 4.7 | 2.8 |
| Nonmetro | 1.1 | 10.2 | 7.0 | 12.5 | 21.8 | 2.5 | 7.9 | -0.4 |
| South: | 52.8 | 31.8 | 5.8 | 17.4 | 12.7 | 16.4 | 20.6 | 13.5 |
| Large metro | 19.2 | 10.6 | 29.4 | 25.6 | 23.9 | 30.7 | 22.1 | 21.4 |
| Other metro | 18.8 | 11.9 | 6.8 | 22.0 | 12.3 | 17.7 | 20.7 | 13.8 |
| Nonmetro | 14.8 | 9.3 | -9.7 | 5.4 | 1.2 | 4.3 | 19.1 | 5.4 |
| West: | 9.4 | 22.9 | 56.5 | 33.5 | 25.0 | 23.4 | 23.4 | 22.1 |
| Large metro | 7.9 | 14.4 | 60.0 | 32.5 | 21.9 | 27.4 | 19.1 | 24.4 |
| Other metro | 1.2 | 4.8 | 42.9 | 46.6 | 42.2 | 24.3 | 31.8 | 22.2 |
| Nonmetro | 0.3 | 3.7 | 16.6 | 13.6 | 57.0 | 8.9 | 30.4 | 14.1 |
| U.S. totals: | 100.0 | 100.0 | 19.7 | 17.3 | 13.2 | 12.7 | 10.7 | 9.3 |
| Large metro | 59.8 | 49.0 | 38.2 | 18.9 | 15.9 | 16.1 | 6.5 | 11.4 |
| Other metro | 25.0 | 27.8 | 12.6 | 23.0 | 14.1 | 14.9 | 14.7 | 10.4 |
| Nonmetro | 16.2 | 23.2 | -8.7 | 5.9 | 3.1 | 3.9 | 15.1 | 4.0 |
| Total N (1000's) | 29,986 | 218,724 | | | | | | |

¹ Metropolitan areas are CMSA's MSA's and, in New England, NECMA's, defined according to constant boundaries determined by OMB as of June 30, 1990. Large metropolitan areas have 1990 populations exceeding 1 million.

Source: U.S. Bureau of the Census, 1960, 1970, 1980, 1990 decennial censuses.

long run and when economic conditions permit, preferences may very well motivate broad distribution shifts. When this occurs, the continued stated preference of almost half the population to reside in small or rural places should lead to a more dispersed settlement system.

Table 3--Distribution of Hispanics and non-Hispanic whites, blacks, Asians, and American Indians by region and metropolitan categories, 1990¹

| Region and metropolitan category | Percent distribution of 1990 population | | | | |
|----------------------------------|---|---------|--------|--------|------------------|
| | Hispanics | Whites | Blacks | Asians | American Indians |
| North: | 24.5 | 48.6 | 37.2 | 29.2 | 23.8 |
| Large metro | 20.7 | 24.7 | 31.1 | 23.8 | 8.3 |
| Other metro | 2.6 | 12.4 | 5.0 | 3.9 | 5.3 |
| Nonmetro | 1.2 | 11.5 | 1.1 | 1.5 | 10.2 |
| South: | 30.3 | 32.6 | 53.6 | 15.5 | 29.7 |
| Large metro | 16.3 | 10.0 | 19.3 | 9.8 | 4.1 |
| Other metro | 9.9 | 12.4 | 19.2 | 4.5 | 10.8 |
| Nonmetro | 4.1 | 10.2 | 15.1 | 1.2 | 14.8 |
| West: | 45.2 | 18.8 | 19.2 | 55.3 | 46.5 |
| Large metro | 32.2 | 11.4 | 7.7 | 39.8 | 11.9 |
| Other metro | 8.8 | 4.0 | 1.2 | 12.2 | 8.0 |
| Nonmetro | 4.2 | 3.4 | 0.3 | 3.3 | 26.6 |
| U.S. totals: | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Large metro | 69.2 | 46.1 | 58.1 | 73.4 | 24.3 |
| Other metro | 21.3 | 28.8 | 25.4 | 20.6 | 24.1 |
| Nonmetro | 9.5 | 25.1 | 16.5 | 6.0 | 51.6 |
| Total N (1000's) | 22,345 | 188,128 | 29,216 | 6,968 | 1,793 |

¹ Metropolitan areas are CMSA's, MSA's, and, in New England, NECMA's, defined according to constant boundaries determined by OMB as of June 30, 1990. Large metropolitan areas have 1990 populations exceeding 1 million.

Source: U.S. Bureau of the Census, 1990 decennial census.

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The Slowdown in Nonmetropolitan Development: The Impact of Economic Forces and the Effect on the Distribution of Wages

Lucy Gorham¹

Introduction

During the 1960's and 1970's, a largely unanticipated level of economic growth and population expansion took place in the nonmetropolitan United States (Henry, Drabenscott, and Gibson, 1987; Fuguitt and Beale, 1984; Till, 1981; Garnick, 1984, 1985; Summers and Branch, 1984).² A combination of fortuitous economic trends all contributed to an unprecedented surge in nonmetropolitan prosperity. Manufacturing employment moved from metropolitan to nonmetropolitan areas at an accelerated pace, resource-based industries (such as agriculture, mining, and energy) boomed, the infrastructure for transportation and communications improved, and nonmetropolitan areas became increasingly attractive places to live, especially for the retired.

As a result, employment opportunities both expanded and diversified. This contributed to an increase in the earnings and family income of nonmetropolitan residents, both absolutely and relative to workers in cities (Hoppe, 1987; Garnick and Friedenberg, 1982; Henry, Drabenscott, and Gibson, 1986). Rural women, who had lagged behind their urban counterparts in joining the labor force, began to work in record numbers. For the first time since the start of the industrial revolution, the historic trend of migration from country to city halted.

But just as the boom was not anticipated by many, neither was the sudden decline of nonmetropolitan growth starting in the late 1970's and continuing on into the 1980's. After an all too brief period of burgeoning growth and economic renewal, nonmetropolitan America is again experiencing the pain of industrial dislocation and population outmigration. The income gap between nonmetropolitan and metropolitan areas, which had narrowed during the 1960's and early 1970's, has again widened.

This paper explores the divergence in nonmetropolitan and metropolitan development over the past decade by addressing three questions. First, what economic forces, both domestic and international, contributed to the slowdown in nonmetropolitan growth over the 1980's? Second, how has the slowdown in nonmetropolitan growth affected the distribution of earnings of its workers and what can we learn from examining demographic, regional, and industry differences? Lastly and very briefly, what are the likely impacts of national and international economic forces in the future, such as the possibility of a U.S.-Mexico Free Trade Agreement?

¹ The research that forms the basis of this paper was undertaken in collaboration with Bennett Harrison, Professor of Urban and Public Affairs at Carnegie Mellon University. The research was made possible by a grant from the Ford Foundation and the Aspen Institute for Humanistic Studies, whose support the author gratefully acknowledges.

² Names in parentheses refer to sources listed in the References at the end of this chapter.

Sources of the Slowdown in Nonmetropolitan Growth

What economic factors have contributed to the turnaround in nonmetropolitan development over the past decade? The short answer to this question is that, almost without exception, everything that was going right in the nonmetropolitan United States during the 1970's went wrong in the 1980's. While the traditional nonmetropolitan industries of agriculture, mining, and energy (particularly oil) experienced a simultaneous expansion in the 1970's for a variety of reasons, they all underwent sharp contractions in the 1980's. For the most part, agriculture's troubles originated in forces outside the industry. These included high real interest rates, in part due to record U.S. budget deficits, which dampened demand from developing countries that relied on credit to purchase imports. An overvalued dollar and international economic stagnation discouraged exports and encouraged imports. Falling oil prices further eroded demand from foreign oil-producing nations.

The economic forces affecting agriculture affected the energy, timber, and mining industries as well. The collapse of the oil cartel caused oil and gasoline prices to plummet, resulting in the demise of the energy boom. Problems in the timber industry stemmed, in large part, from a combination of a slowdown in the domestic housing construction market, competition from imports, and a weakened demand for exports. Related nonmetropolitan industries, such as farm machinery and wood products, came under severe strain, resulting in even fewer opportunities for nonmetropolitan workers.

Nonmetropolitan manufacturing has shared some of the same problems felt by natural resource industries: the high value of the dollar has reduced demand for U.S. manufactured goods abroad and import competition has reduced domestic demand. This heightened competition has spawned new forms of economic adjustment. These adjustment strategies include firms moving production to low-wage sites overseas, automating domestic production to cut labor costs, demanding lower wages from their U.S. employees and, in some instances, moving from a product with a mass market appeal to a more specialized market niche. Both nonmetropolitan and metropolitan areas have felt the impact of these changes. A sizable portion of nonmetropolitan manufacturing is tied to industries that have been hit particularly hard: autos, steel, apparel, and textiles. The South, in particular, is heavily dependent on low-wage manufacturing, and thus particularly vulnerable to low-wage competition abroad. Whereas low-wage industries such as apparel, textiles, wood products, shoes, and a few others represented only 19 percent of total U.S. manufacturing employment in 1984, they accounted for 40 percent of Southern nonmetropolitan manufacturing (Brown and Deavers, 1987).

To a much smaller extent, nonmetropolitan areas have also lost manufacturing jobs to metro areas. For example, the apparel industry has started to move jobs in the fashion industry back to locations such as New York and Los Angeles in order to allow changes in consumer demand to be reflected in altered product lines as quickly as possible. While this trend toward centralization has probably not been responsible for the loss of a large number of manufacturing jobs, to the extent that it represents the beginning of a longer-term trend, it does not bode well for the future of nonmetropolitan manufacturing.

With each of these industries experiencing downturns simultaneously, the slowdown in nonmetropolitan growth spread nationwide, rather than being confined primarily to one or two regions. The new economic prosperity of the 1970's suddenly evaporated for many nonmetropolitan communities. Job losses in one sector often had far-reaching consequences. For example, with roughly 60 percent of farm family income derived from nonfarm sources, declining opportunities for off-farm employment added yet another source of instability to the farming sector (Goodwin and Jones, 1986).

In spite of these developments, many nonmetropolitan communities have continued to prosper during the 1980's. Communities with an economic base tied to government, tourism, or retirement have fared much better than those dependent on manufacturing or natural resources. Nonmetropolitan areas still attract urban and suburban migrants, at least to the extent that they are still able to offer a critical mass of amenities which, for all but the retired, must include employment. Thus, the trend toward population deconcentration has counterbalanced the effects of industrial restructuring to a small extent in the nonmetropolitan United States as a whole. However, the net effect may look very different depending on the community.

While economic transformation is nothing novel in and of itself, the exact form it takes changes from one decade to the next, benefiting some groups, industries, regions, and countries at the expense of others. One indicator of how well the nonmetropolitan United States has fared during this latest period of economic turbulence is whether the earnings of its workers have improved. In the following section, the impact of the economic shifts of the past decade on the distribution of earnings in nonmetropolitan areas will be explored.

Nonmetropolitan, Metropolitan, and Regional Wage Trends

The economy of the nonmetropolitan United States has experienced some profound shocks over the 1980's. As manufacturing, farm, and other natural resource-based industries have declined, what has been the impact on the earnings of different groups in the nonmetropolitan labor force? How has this varied by region? And how does this compare with what has happened in metropolitan areas, often themselves going through major structural transformations such as the shift from manufacturing to services?

My analysis of earnings trends (conducted with Bennett Harrison of Carnegie Mellon University) uses the March Current Population Survey (CPS) for the years 1979 and 1987.³ I define "low earners" to be individuals whose hourly wage and salary incomes (WSI) would leave them below the official poverty line for a family of four persons, even though they worked the equivalent of a year-round/full-time job. By this definition, in 1987 a low earner made \$11,611 or less in annual earnings.⁴

One problem in comparing workers' wages is that people's work experience varies enormously over the course of the year. Some people work year round and full time, others only part time or part year. How can these differences in work time be incorporated into an analysis of wages that gives an indicator that can be meaningfully compared across labor force groups?

The procedure is straightforward. From the CPS tapes, each individual's annual wage and salary income (WSI) is known. This is divided by the number of weeks the respondent works, and then again by the number of hours the respondent "usually" worked per week. The resulting figure of hourly earnings is then multiplied by (52 weeks X 40 hours) to arrive back at a work experience-adjusted estimate of "annualized" WSI--what I refer to as the equivalent of a year-round/full-time job. Such an indicator allows seasonal, occasional, and part-time workers to be incorporated into

³ In an effort to minimize distortions caused by the business cycle, the year 1979 was chosen as a starting point because it was the last business cycle peak. The year 1987 was the latest year of continued economic growth for which CPS data were available at the start of the research project.

⁴ The poverty line standard for both 1979 and 1987 was adjusted for inflation by the now-standard CPI-X1 deflator of the U.S. Census Bureau.

a comprehensive count of how many workers are low earners and to compare their earnings with an annual poverty level.

To begin, let us consider how nonmetropolitan workers were doing compared with metropolitan workers in 1979, the start of the 1979 to 1987 time period. In 1979, 31.9 percent of nonmetropolitan workers earned below the poverty level for a family of four, compared with 23.4 percent of metropolitan workers. Thus, despite the economic prosperity experienced by many nonmetropolitan areas in the 1970's, nonmetropolitan workers were still 36 percent more likely to be earning low wages than metropolitan workers. By 1987, the nonmetropolitan/metropolitan gap had widened considerably. The percentage of nonmetropolitan low earners in 1987 had risen to 42.1 percent, an increase of over 10 percentage points. While metropolitan workers also experienced a rise in the percentage of low earners, the increase was just over half that for nonmetropolitan workers--an increase of 5.5 percentage points from 23.4 to 28.9 percent. Thus, in 1987, nonmetropolitan workers were over 45 percent more likely to be earning low wages than metropolitan workers.

Why have nonmetropolitan areas been harder hit generally than metropolitan areas? One cause is that, during the 1980's, nearly all the major industrial sectors found in nonmetropolitan areas (agriculture, mining, manufacturing, timber and other natural resource-based industries) experienced almost simultaneous recession and loss of employment. Because nonmetropolitan local economies are less diverse than the economies of cities, a downturn in even one of these sectors could have a major impact on nonmetropolitan employment and earnings. The cities that have felt the biggest shocks: Detroit, Flint, Youngstown, Houston, and so on, are also cities where the economic base is heavily tied to one industry.

A second answer lies in the different role that services play in nonmetropolitan and metropolitan economies. The big growth sector of the 1980's has been services, providing an engine of economic renewal for cities such as Boston and Chicago. While the services sector has also grown in nonmetropolitan areas, by and large it has been in industries such as retail sales or food and entertainment, industries that are at the lower end of the wage spectrum. The sparseness of population in nonmetropolitan areas also means that services industries are less diversified than in metropolitan areas. Thus, services rarely provide the same stimulus to development in nonmetropolitan areas that they do in cities, nor are they as likely to offer the same opportunities for replacing better-paying jobs at a comparable wage.

Differences Between Men and Women

This disparity in job opportunities between metropolitan and nonmetropolitan areas emerges plainly when examining differences in the earnings of men and women. While the gap in the percentage of low earners between men and women widened slightly in nonmetropolitan areas over the past decade, it actually narrowed in metropolitan areas. Is this because the opportunities for metropolitan women have improved, those for nonmetropolitan women have deteriorated, or for some other reason?

To answer this question, let us begin by looking at how job market opportunities have changed for nonmetropolitan men and women between 1979 and 1987. First, it's important to keep in mind how important women are to the nonmetropolitan economy. Based on the CPS sample, in 1987, women comprised almost half (47 percent) of the nonmetropolitan labor force. Women's labor, both paid and unpaid, has always been of vital importance in maintaining the living standards of nonmetropolitan families. With economic opportunities narrowing and many women becoming the sole source of support for their families, this is now especially true.

Have nonmetropolitan men and women been affected equally by the economic turmoil of the past decade? The answer is: yes and no. For women, the share of workers with low hourly earnings rose 10.2 percentage points between 1979 and 1987, whereas for men it rose by 9.4 percentage points. By this measure, then, women have fared somewhat worse than men but the difference is not dramatic. However, whereas the share of low earners rose from 22.2 percent to 31.6 percent for men, it rose from 43.7 to 53.9 percent for women. Thus, in 1987, less than a third of nonmetropolitan men workers were low earners compared with over half of all women workers. Nonmetropolitan women have always been at a disadvantage in the labor force vis-a-vis nonmetropolitan men. In spite of two decades of affirmative action and nonmetropolitan women entering the labor force in record numbers, this continues to be true.

In metropolitan areas, in contrast, the male/female gap in the percentage of low earners actually narrowed slightly between 1979 and 1987, declining from 16 to 13.4 percentage points. To keep this in perspective, however, in 1987 metropolitan women were still over a third again as likely to be earning low wages as men. Also, as with their nonmetropolitan counterparts, for both metropolitan men and women the percentage of low earners increased between 1979 and 1987 (from 16.2 to 22.6 percent for men and from 32.2 to 36.0 percent for women). To get back to our earlier question about why the gap had narrowed between metropolitan men and women, then, it was purely a result of men doing relatively worse than women over the decade, rather than of women doing better in absolute terms.

Not only did the gap between nonmetropolitan men and women widen between 1979 and 1987, so did the gap between nonmetropolitan and metropolitan men and between nonmetropolitan and metropolitan women. The widening of the nonmetropolitan/metropolitan gap was not nearly as dramatic for men as for women. For men, the gap increased from 6 to 9 percentage points, whereas for women it increased from 11.5 to 17.9 percentage points. Thus, in 1987, the nonmetropolitan/metropolitan gap for women was nearly twice that for men.

These differences in metropolitan and nonmetropolitan opportunities for women are reflected in the percentage of women who received high hourly wages (equal to \$35,000 on a year-round/full-time basis in 1987) in 1979 and 1987. In 1979, only 2.9 percent of nonmetropolitan women were high-wage earners compared with 5 percent of metropolitan women. By 1987, the share of women high-wage earners had dropped to 2.3 percent in nonmetropolitan areas, but had risen to 6.3 percent in metropolitan areas. Unfortunately for nonmetropolitan women workers, there appears to be little on the horizon in the way of employment growth trends that would diminish these differences in the near future.

While my focus has been on the low-wage end of the earnings distribution, let me say a little more about the high-wage end lest anyone feel that they are only getting half of the picture. The problem of a decline in the percentage of high-wage earners is not confined to nonmetropolitan women. In fact, metropolitan women (whether white, black, or Hispanic) are the one exception to the rule that the percentage of high earners has declined in both metropolitan and nonmetropolitan areas among all labor force groups (divided by race, age, and education). Thus, whatever forces are driving up the share of low-wage earners may also be driving down the share of high-wage earners.

Growing Racial Inequality

If the past decade did little to boost the earnings prospects for nonmetropolitan men and women, it did even less for nonmetropolitan blacks and Hispanics. Nonmetropolitan areas have never offered great job opportunities to minority workers and this was even more true in 1987 than it was in 1979. In 1979, 30 percent of nonmetropolitan whites, 40 percent of nonmetropolitan

Hispanics, and almost 50 percent of nonmetropolitan blacks earned below poverty level for a family of four. By 1987, these percentages had increased to 40 percent for whites, 57 percent for Hispanics, and over 60 percent for blacks. Thus, all three race groups showed a substantial increase in their percentage of low earners in nonmetropolitan areas--9.9 percentage points for whites, 11.5 percentage points for blacks, and a dramatic 16.5 percentage points for Hispanics. Whereas nonmetropolitan Hispanics had a considerably lower percentage of low earners in 1979 than blacks, by 1987 the position of Hispanics had deteriorated to the point where it almost matched that of blacks.

The percentage of low earners not only increased for all race groups in nonmetropolitan areas from 1979 to 1987 but in metropolitan areas, as well. The largest increase was among metropolitan Hispanics (from 30.3 to 41.0 percent) followed by blacks (from 30.0 to 36.8 percent) and whites (from 22.1 to 26.4 percent). For all three race groups, the nonmetropolitan/metropolitan gap has also increased significantly, again because the position of nonmetropolitan workers has deteriorated so dramatically. In 1987, nonmetropolitan workers of each race group were roughly 50 percent more likely to be earning low wages than their metropolitan counterparts.

Taking the analysis one step further, I divided each nonmetropolitan and metropolitan racial group into men and women (table 1). Here again, an increase in the percentage of low earners between 1979 and 1987 for all groups, a growing nonmetropolitan/metropolitan gap, and a greater increase in low earners among nonmetropolitan workers than among metropolitan workers is evident. However, some important differences between black and Hispanic men and women emerge out of these results.

Table 1--Percentage of low earners, rural and urban workers by race and sex, 1979-87

| Labor force group | 1979 | 1987 |
|-------------------|------|------|
| Rural | | |
| White men | 20.2 | 29.2 |
| Black men | 41.5 | 52.3 |
| Hispanic men | 29.5 | 48.5 |
| White women | 42.1 | 52.1 |
| Black women | 58.4 | 69.0 |
| Hispanic women | 58.0 | 69.8 |
| Urban | | |
| White men | 14.8 | 19.4 |
| Black men | 23.1 | 32.9 |
| Hispanic men | 22.5 | 36.6 |
| White women | 11.2 | 17.9 |
| Black women | 21.7 | 28.5 |
| Hispanic women | 16.4 | 22.6 |

¹ Annual earnings adjusted for weeks and hours of work.

Source: Author's estimates from Census Bureau data.

For white men and all racial groups of women, the percentage point increase in low earners in nonmetropolitan areas is two to three times that for metropolitan areas. For black and Hispanic men, however, the percentage point increase in low earners in metropolitan areas between 1979 and 1987 was much closer to that for nonmetropolitan areas (10.8 compared with 9.8 percentage points for nonmetropolitan and metropolitan blacks, respectively, and 19.0 compared with 14.1 percentage points for nonmetropolitan and metropolitan Hispanics). This is an indication that black and Hispanic men have not only fared poorly in nonmetropolitan areas, but are also being left behind by the new metropolitan economy. In spite of this, however, the percentage of low earners among metropolitan black and Hispanic men was still significantly lower in 1987 than for metropolitan black and Hispanic women.

Reason for Concern? What Differences by Age and Education Tell Us

While the distribution of earnings has clearly slumped to the bottom over the past decade in nonmetropolitan areas (as it has to a lesser extent in metropolitan areas), we must now ask, should we be worried? Could this be a short-term aberration that will soon correct itself?

One such argument is that the growing percentage of low-wage workers is due to the entrance of large numbers of baby-boom workers into the job market. This influx of new workers results in an "oversupply" of workers. With the pressure off to compete for workers, employers can afford to offer lower wages. If this argument is correct, we should not see an increase in the percentage of low earners in older groups of workers who are past the baby-boom bulge, nor in the very youngest groups of workers whose absolute numbers were actually declining in the 1980's, even creating labor shortages in some areas.

Contrary to the baby-boom argument, all age groups of nonmetropolitan workers show an increase in the percentage of low earners between 1979 and 1987 (table 2), as do all age groups of metropolitan workers. In fact, nonmetropolitan workers age 16-24 (the post baby-boom group) showed an increase in low earners of an overwhelming 21.6 percentage points. In 1987, nearly three quarters of all young nonmetropolitan workers earned less than the poverty level for a family of four, compared with just half in 1979. We would expect young workers to have a higher percentage of low earners than older workers, both because we expect experience to be rewarded and because of seniority provisions. However, this does nothing to explain the huge increase in the share of young low earners between 1979 and 1987. At a time when it is essential to convince youth that the traditional labor market--as opposed to the underground economy--has something to offer, these earnings trends for young workers are particularly distressing. Nonmetropolitan areas will have a difficult time holding on to their most talented young people, a problem which will only hobble their efforts to revitalize their economies.

The earnings trends for workers with different levels of education provide another reason to be concerned about the ability of nonmetropolitan areas to revitalize their economies. Not only do nonmetropolitan high-school dropouts and high-school graduates show a sizable increase in their percentage of low earners, workers with some college or with 4 years of college or more do as well (table 3). In 1987, over one-quarter of all nonmetropolitan workers with 4 years of college or more earned less than the poverty level for a family of four, up from 17.8 percent in 1979. While metropolitan workers in all four education categories also experienced an increase in the percentage of low earners over the past decade, the absolute levels have been much lower to begin with and, with one exception that I will return to in a moment, the percentage-point increases have not been nearly as dramatic as those for nonmetropolitan workers. The earnings trends of the past decade are clearly not providing better-educated nonmetropolitan workers with an incentive to stay.

Table 2--Percentage of low earners, rural and urban workers by age, 1979-87¹

| Labor force group | 1979 | 1987 |
|-------------------|------|------|
| Rural | | |
| Age 16-24 | 51.0 | 72.6 |
| Age 25-36 | 23.5 | 38.5 |
| Age 35-54 | 23.1 | 29.8 |
| Age 55 and over | 31.9 | 38.4 |
| Urban | | |
| Age 16-24 | 44.8 | 59.6 |
| Age 25-34 | 15.8 | 23.0 |
| Age 35-54 | 14.8 | 17.7 |
| Age 55 and over | 19.4 | 25.0 |

¹ Annual earnings adjusted for weeks and hours of work.

Source: Author's estimates from Census Bureau data.

Table 3--Percentage of low earners, rural and urban workers by education, 1979-87¹

| Labor force group | 1979 | 1987 |
|----------------------------|------|------|
| Rural | | |
| High school dropout | 47.3 | 57.1 |
| High school graduate | 29.2 | 43.4 |
| Some college | 22.4 | 33.6 |
| Four years college or more | 17.8 | 25.5 |
| Urban | | |
| High school dropout | 39.9 | 53.7 |
| High school graduate | 22.3 | 30.7 |
| Some college | 16.8 | 21.4 |
| Four years college or more | 14.1 | 16.2 |

¹ Annual earnings adjusted for weeks and hours of work.

Source: Author's estimates from Census Bureau data.

The one exception to the general rule that nonmetropolitan workers have experienced a greater increase in the percentage of low earners than their metropolitan counterparts concerns high-school dropouts. Unlike the other three education groups (and in fact unlike the results for any of the other groups examined so far), for high-school dropouts the percentage-point increase in low earners was greater in metropolitan areas than in nonmetropolitan areas. The difference is sizable, a 13.8-percentage point increase for metropolitan high-school dropouts compared with a 9.8-percentage point increase for those in nonmetropolitan areas. Also, unlike any of our other

results so far, between 1979 and 1987 the nonmetropolitan/metropolitan gap for high-school dropouts actually declined, a result of the deteriorating position of metropolitan high-school dropouts.

The fact that the percentage of low earners among metropolitan high-school dropouts is fast approaching that in nonmetropolitan areas brings us back again to a consideration of industrial change. The loss of manufacturing jobs in cities has eliminated a major source of better-paying jobs for metropolitan workers with less education in the same way that the loss of agriculture, mining, and manufacturing jobs has hurt the earnings of nonmetropolitan workers. In both metropolitan and nonmetropolitan areas, services may provide a replacement job but high-paying services jobs are not plentiful for workers in this education group.

The Regional Picture

A final way that we can gain perspective on how concerned to be about the trend toward an increasing percentage of low earners is to consider how universal it is geographically. We know that in nonmetropolitan areas nationwide, each labor force group we have examined based on sex, race, age, and education has shown an increase in the share of workers earning below the poverty level. If we divide the country into nine subregions do we find the same trend?⁵

Each region in the country shows the same increase in the percentage of low earners among its nonmetropolitan work force between 1979 and 1987 (table 4). The biggest increase occurred in the West North Central region--the traditional Farm Belt States of Iowa, Minnesota, Missouri, Kansas, Nebraska, North Dakota, and South Dakota. Somewhat surprisingly, however, the metropolitan work force in this same farm region showed the second smallest increase in the share of low earners (table 4). So while the Farm Belt's nonmetropolitan workforce has been hard hit by the troubles of farming and other natural resource-based industries such as mining and timber, its metropolitan work force appears to have emerged relatively unscathed.

If we look at which regions have the highest absolute share of nonmetropolitan workers earning below poverty, the West South Central (Texas, Oklahoma, Arkansas, and Louisiana) and the East South Central (Kentucky, Tennessee, Mississippi, and Alabama) regions topped the list in 1987, as they did in 1979. These regions historically have had high concentrations of nonmetropolitan poverty and the last decade has done little to change that. The region with the lowest percentage of low earners in 1987 was New England, although even this region of extraordinary economic growth showed a sizable increase in its share of nonmetropolitan low-wage workers.

Have metropolitan workers in different regions fared better than nonmetropolitan? With the exception of New England, the metropolitan work force of each region has increased its share of low-wage workers. However, workers in metropolitan areas in every region also show a considerably lower percentage of low earners than do workers in nonmetropolitan areas. The position of nonmetropolitan workers also declined more dramatically between 1979 and 1987 so that, in each region, the gap between nonmetropolitan and metropolitan areas widened. The region showing the largest increase in its nonmetropolitan/metropolitan gap is the West North

⁵ The nine Census subregions of the United States are: (1) New England (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut), (2) the Middle Atlantic (New York, New Jersey, Pennsylvania), (3) the East North Central (Ohio, Michigan, Indiana, Illinois, Wisconsin), (4) the West North Central (Minnesota, Iowa, Missouri, Kansas, Nebraska, North Dakota, South Dakota), (5) the South Atlantic (Maryland, Delaware, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida), (6) the East South Central (Kentucky, Tennessee, Alabama, Mississippi), (7) the West South Central (Arkansas, Louisiana, Oklahoma, Texas), (8) Mountain (Montana, Wyoming, Idaho, Colorado, Utah, Nevada, New Mexico, Arizona) and (9) Pacific (Washington, Oregon, California, Alaska, Hawaii).

Table 4--Percentage of low earners, rural and urban workers by region, 1979-87¹

| Region | Rural | | Urban | |
|--------------------|-------|------|-------|------|
| | 1979 | 1987 | 1979 | 1987 |
| New England | 26.8 | 31.0 | 24.7 | 23.0 |
| Middle Atlantic | 26.3 | 37.3 | 20.8 | 23.9 |
| East North Central | 27.6 | 39.0 | 21.3 | 29.2 |
| West North Central | 32.8 | 45.0 | 25.8 | 28.7 |
| South Atlantic | 33.4 | 43.1 | 26.2 | 31.0 |
| East South Central | 35.4 | 46.4 | 27.4 | 38.0 |
| West South Central | 38.6 | 47.0 | 26.8 | 34.1 |
| Mountain | 32.6 | 43.9 | 26.6 | 31.8 |
| Pacific | 26.8 | 36.4 | 21.8 | 27.6 |

¹ Annual earnings adjusted for weeks and hours of work.

Source: Author's estimates from Census Bureau data.

Central--again the traditional Farm Belt. Because of the declining fortunes of its nonmetropolitan areas, this region also had the largest nonmetropolitan/metropolitan gap of any region in 1987.

The Role of Industrial Change

We now turn to examine more specifically what role industrial restructuring has played in changing the distribution of nonmetropolitan wages. Is the growth in the percentage of nonmetropolitan low earners between 1979 and 1987 due to shifts of employment between industries, for example the decline of manufacturing and the growth of services?

From the evidence presented in table 5, which analyzes employment categorized into eight major sectors, the answer to the above question would have to be no. The distribution of nonmetropolitan employment among these eight sectors remained remarkably constant between 1979 and 1987 (columns 2 and 3 in table 5). While the share of workers employed in both durable and nondurable manufacturing declined slightly and the share of both business and distribution (B&D) services and consumer and social (C&S) services employment increased slightly, these shifts were not great enough to account for the 10.2-percentage point increase in the overall share of nonmetropolitan low earners. Instead, we find that the share of low earners increased in all eight industry sectors. Thus, the growing problem of low earners is more the outgrowth of changes within industries rather than of employment shifts between industries.

Table 5--Low wage employment by industry, 1979-87¹

| | Rural employment | | Low earners in industry | | % of all low earners | |
|----------------|------------------|------|-------------------------|------|----------------------|------|
| | 1979 | 1987 | 1979 | 1987 | 1979 | 1987 |
| Industry | <i>Percent</i> | | | | | |
| Agriculture | 4.1 | 4.5 | 71.2 | 76.2 | 9.3 | 8.1 |
| Nat'l resource | 2.0 | 1.7 | 9.6 | 18.7 | 0.6 | 0.8 |
| Construction | 7.0 | 6.4 | 21.6 | 30.2 | 4.8 | 4.6 |
| Durable mfg | 13.9 | 12.0 | 14.2 | 22.0 | 6.2 | 6.3 |
| Nondur mfg | 11.8 | 10.9 | 25.3 | 36.5 | 9.3 | 9.5 |
| B&D services | 14.3 | 15.9 | 20.3 | 32.3 | 9.1 | 12.2 |
| C&S services | 41.9 | 43.9 | 43.8 | 53.7 | 57.7 | 56.0 |
| Public | 4.9 | 4.8 | 19.2 | 22.0 | 3.0 | 2.5 |

¹ Annual earnings adjusted for weeks and hours of work.

Source: Author's estimates from Census Bureau data.

Again, looking at the results presented in table 5, we see that the percentage of low earners working in agriculture (71.2 percent in 1979 rising to 76.2 percent in 1987) exceeded that in any other sector by some margin in both years. Thus, for those workers able to remain employed in agriculture in 1987, more than three out of every four attained only poverty level earnings. The consumer and social services sector had the second highest percentage of low earners (53.7 percent in 1987). Since this is one of the few sectors with expanding employment in nonmetropolitan areas, this does not bode well for nonmetropolitan areas being able to reduce their dependence on low-wage jobs. While business and distribution services, the other sector of employment expansion, had a lower percentage of low earners in 1987 than did consumer and social services, still close to one out of every three workers were low earners, up from one out of five in 1979. Compared with the other seven sectors, the public sector appears relatively stable--an increase in the percentage of low earners between 1979 and 1987 of less than 3 percentage points.

The growth in the percentage of low earners within industries is not peculiar to nonmetropolitan areas, but is found in metropolitan areas as well (See Gorham and Harrison, 1990). Except for very slight declines in the share of low earners in the natural resources and public sectors, all metropolitan industrial sectors also showed a growing share of low-wage earners between 1979 and 1987.

The real difference between nonmetropolitan and metropolitan industry wage trends lies not in whether the share of low earners increased between 1979 and 1987, but rather in how much it increased and in how high the levels were in both years. All nonmetropolitan industrial sectors showed a substantially higher level of low earners than metropolitan industries in 1987, and the increase in low earners between the 2 years was on the order of 50 percent higher in nonmetropolitan than in metropolitan areas. In fact, in 1979, the percentage of low earners in the natural resources sector was lower in nonmetropolitan areas than in metropolitan areas. By 1987, however, it had climbed to a level in nonmetropolitan areas approximately 80 percent higher than that in metropolitan areas.

The bottom last two columns of table 5 show the share of all nonmetropolitan low earners found in each industry. For example, while the durable goods sector accounted for 12 percent of nonmetropolitan employment in 1987, it was responsible for only 6.3 percent of nonmetropolitan low earners. The consumer and social services sector, on the other hand, employed just under 44 percent of all nonmetropolitan workers but was responsible for 56 percent of all low earners. Thus, low earners are "under-represented" in durable goods manufacturing but "over-represented" in C&S services.

A development strategy based solely on minimizing low-wage work should concentrate on expanding employment in those sectors where low earners are under-represented, natural resources, construction, durable goods and nondurable goods manufacturing, business and distribution services, and the public sector. With the exception of a small increase (1.6 percentage points) in the share of nonmetropolitan workers employed in B&D services, however, each of these sectors accounted for a declining share of nonmetropolitan workers between 1979 and 1987. Since services are the growth sector in both nonmetropolitan and metropolitan areas, at least at present, a development strategy that would result in a higher share of better-paying jobs must either emphasize the expansion of higher wage B&D services industries or increase the percentage of better-paying jobs in all services industries. The latter could be accomplished by greater unionization, raising the minimum wage substantially, and improving the education and skills of the work force to improve productivity.

The data in table 6, which shows high-wage employment by sector, confirm the importance of the business and distribution services sector in providing better jobs to nonmetropolitan workers. As shown in columns 4 and 5, all of our eight industry sectors unfortunately experienced a decline in the percentage of high earners between 1979 and 1987 (roughly \$35,000 or more in 1987 dollars). However, the B&D services sector increased its share of nonmetropolitan employment over the same period to 15.9 percent of all nonmetropolitan employment and it had the second highest percentage of high-wage workers (10.8 percent). As a result, by 1987, this sector accounted for more than 25 percent of all nonmetropolitan high-wage workers.

Table 6--Rural high wage employment by Industry, 1979-87¹

| | Rural employment | | High earners in industry | | % of all rural high earners | |
|----------------|------------------|------|--------------------------|------|-----------------------------|------|
| | 1979 | 1987 | 1979 | 1987 | 1979 | 1987 |
| Industry | <i>Percent</i> | | | | | |
| Agriculture | 4.1 | 4.5 | 2.7 | 2.7 | 1.1 | 1.8 |
| Nat'l resource | 2.0 | 1.7 | 30.9 | 19.1 | 6.2 | 5.0 |
| Construction | 7.0 | 6.4 | 16.4 | 8.2 | 11.6 | 7.9 |
| Durable mfg | 13.9 | 12.0 | 13.1 | 7.9 | 18.3 | 14.4 |
| Nondur mfg | 11.8 | 10.9 | 9.4 | 7.4 | 11.1 | 12.2 |
| B&D services | 14.3 | 15.9 | 15.2 | 10.8 | 21.8 | 26.1 |
| C&S services | 41.9 | 43.9 | 5.7 | 3.8 | 23.9 | 25.5 |
| Public | 4.9 | 4.8 | 12.0 | 9.6 | 6.0 | 7.0 |

¹ Annual earnings adjusted for weeks and hours of work.

Source: Author's estimates from Census Bureau data.

The consumer and social services sector employed an additional 25 percent of all nonmetropolitan high-wage workers in 1987. This is not because it is a relatively high-wage industry like B&D services, but simply because it employs such a large number of nonmetropolitan workers. However, because the percentage of high earners is so much lower in this sector, to get the same number of high-wage jobs would require creating three times the number of consumer and social services jobs as business and distribution services jobs. Since the B&D services sector is linked to other industries, of course, it is not as simple as choosing to encourage the development of this sector over others. But being aware of the consequences of growth in one sector versus another in terms of wages (and thus family incomes) can only enhance local planning efforts.

The Impact on Sex and Race Inequality

In an earlier section I discussed the growing percentage of low earners among nonmetropolitan men and women and among nonmetropolitan whites and blacks, as well as the widening gap between white and black workers. What insight into these trends can we gain by examining industrial change?

Beginning with an examination of the earnings trends among men and women, let us look at how the distribution of employment by industry differs for these two groups (table 7).⁶ The first thing to note is the concentration of women in the consumer and social services sector, an industry with a high percentage of low-wage workers. The C&S sector employed over 60 percent of nonmetropolitan women workers in both 1979 and 1987, over twice the percentage of nonmetropolitan men. Not only were nonmetropolitan men more evenly distributed across industries in both years, they were much more likely to find jobs in the higher paying sectors of durable manufacturing and business and distribution services.

Table 7--Distribution of rural employment by sex, 1979-87

| Industry | Percent in industry | | | |
|----------------------------------|---------------------|------|------|------|
| | Women | | Men | |
| | 1979 | 1987 | 1979 | 1987 |
| Durable manufacturing | 8.2 | 7.1 | 18.5 | 16.3 |
| Nondurable manufacturing | 12.2 | 10.8 | 11.4 | 11.0 |
| Business & distribution services | 11.1 | 12.6 | 16.9 | 18.9 |
| Consumer & social services | 60.8 | 61.1 | 26.5 | 28.4 |
| Public | 3.9 | 4.5 | 5.8 | 5.0 |

Source: Author's estimates from Census Bureau data.

Looking at table 7, it is clear that for both men and women, the composition of employment between industries has not undergone dramatic change. Both durable and nondurable goods manufacturing show a small drop in their share of nonmetropolitan workers among both men and women, while both services categories show small increases. However, these shifts between

⁶ Because of the limitation of sample size, the agriculture, natural resources, and construction sectors could not be included in the analysis.

industries are not large enough to account for the large growth of low earners among both nonmetropolitan women and men.

As was the case for all nonmetropolitan workers, the key to understanding the growth in the percentage of women and men low earners lies more in changes within industries, rather than in changes between them. Table 8 shows the change in the percentage of low earners within industrial sectors for nonmetropolitan and metropolitan men and women. Within each industry, the share of women low earners grew substantially between 1979 and 1987, the most dramatic increases being found in B&D services (18.7 percentage points) and in nondurable manufacturing (12.8 percentage points). Nonmetropolitan women workers also had a much higher absolute level of low earners in each of these five sectors than did nonmetropolitan and metropolitan men or metropolitan women.

Table 8--Percentage of rural and urban low earners by industry by sex, 1979-87¹

| Industry | Percent low earners | | | | | | | |
|-------------|---------------------|------|-------|------|-------|------|-------|------|
| | Rural | | | | Urban | | | |
| | Men | | Women | | Men | | Women | |
| | 1979 | 1987 | 1979 | 1987 | 1979 | 1987 | 1979 | 1987 |
| Durable mfg | 10.0 | 18.4 | 25.8 | 31.3 | 7.0 | 10.5 | 18.6 | 22.4 |
| Nondur mfg | 13.1 | 23.0 | 39.1 | 51.9 | 11.7 | 14.4 | 30.4 | 36.0 |
| B&D serv | 16.0 | 23.5 | 28.4 | 47.1 | 12.4 | 17.5 | 21.8 | 25.9 |
| C&S serv | 31.7 | 42.4 | 50.2 | 59.6 | 26.1 | 34.5 | 38.5 | 42.9 |
| Public | 15.0 | 15.2 | 26.8 | 30.5 | 6.8 | 7.7 | 20.8 | 17.1 |

¹ Annual earnings adjusted for weeks and hours of work.

Source: Author's estimates from Census Bureau data.

Turning now to a discussion of differences between blacks and whites,⁷ we again start by looking at where both groups are employed in nonmetropolitan industries (table 9). A larger share of nonmetropolitan blacks are employed in the durable and nondurable manufacturing sectors, while whites are more heavily concentrated in business and distribution services. Roughly an equal share of both blacks and whites worked in consumer and social services.

As was true for both men and women, the distribution of employment among these four industries between 1979 and 1987 has not changed dramatically, for either blacks or whites, with one exception. The share of black workers employed in the nondurable manufacturing sector increased 8.8 percentage points over this period, at the same time that the share of white workers employed in the industry declined slightly. If nondurable manufacturing were a high-wage sector, this shift would bode well for improving racial equality in wages. However, as we can see from table 10, nondurable manufacturing has a high percentage of low earners, particularly for blacks. Moreover, the likelihood of earning low wages in the industry if you were black increased

⁷ Due to inadequate sample sizes, it was impossible to compare blacks and whites in all 8 industrial sectors or to include Hispanics in the analysis.

substantially from 1979 to 1987--from 45 to 55 percent. While the share of white low earners in the industry also increased, still less than a third of whites in the industry were earning low wages in 1987.

Table 9--Percentage of rural employment by race, 1979-87

| Industry | Percent in industry | | | |
|----------------------------------|---------------------|------|--------|------|
| | Whites | | Blacks | |
| | 1979 | 1987 | 1979 | 1987 |
| Durable manufacturing | 13.8 | 12.0 | 16.9 | 13.8 |
| Nondurable manufacturing | 11.6 | 9.7 | 14.5 | 23.3 |
| Business & distribution services | 14.8 | 17.0 | 9.6 | 7.5 |
| Consumer & social services | 42.1 | 44.1 | 40.5 | 41.5 |

Source: Author's estimates from Census Bureau data.

Table 10--Percent of rural low earners by race, 1979-87¹

| Industry | Percent low earners | | | |
|----------------------------------|---------------------|------|--------|------|
| | Whites | | Blacks | |
| | 1979 | 1987 | 1979 | 1987 |
| Durable manufacturing | 12.4 | 19.7 | 27.5 | 39.4 |
| Nondurable manufacturing | 23.1 | 32.0 | 45.2 | 55.0 |
| Business & distribution services | 18.9 | 31.1 | 40.1 | 52.4 |
| Consumer & social services | 42.1 | 51.8 | 61.5 | 73.9 |

¹ Annual earnings adjusted for weeks and hours of work.

Source: Author's estimates from Census Bureau data.

A second disturbing trend for nonmetropolitan blacks is that the share of workers finding employment in the business and distribution services sector showed a slight decline of 2.1 percentage points between 1979 and 1987, while the share of whites rose 2.2 percentage points over the same period. This is troubling not only because this is a relatively high-paying sector, but also because it is one showing growth in nonmetropolitan areas. For both blacks and whites, the share of low earners in the industry rose substantially--by roughly 12 percentage points for both groups. But for blacks who were employed in this sector in 1987, over half were low earners, compared with less than a third of whites.

While the shift of blacks out of durable manufacturing and business and distribution services and into nondurable manufacturing is certainly responsible for some of the increase in the growing gap between black and white workers, I would argue that changes within each of these sectors is

equally, if not more, important. Again in table 10, we see that in each sector, the percentage of low-wage black workers increased and that these increases matched or exceeded the increases for whites.

These industry wage trends for blacks and whites carry a number of implications for efforts to reduce racial wage inequality in nonmetropolitan areas. First, efforts to increase the share of blacks earning better wages need to place equal emphasis on strategies for changing where blacks are employed both within and between industries. Strategies within industries include more vigorous implementation of affirmative action, training and education programs that are tied to specific ladders for upward mobility within firms and industries, and increased employee organizing and unionization.

Improving higher wage opportunities could also mean doing an assessment of the industrial structure of a specific area and identifying which segments of an industry's activities provide better-paying jobs. Then, opportunities for expanding these activities can be pursued, such as export promotion or assisting local firms to produce goods and services that are currently being imported from outside the area. Of course, such a strategy must be coupled with a strong affirmative action program if it is to benefit black (and women) workers.

In addition to these within-industries strategies, increasing employment opportunities for blacks in the better-paying segments of the services sector should be a priority. Barring a major reversal in the decline of manufacturing employment in the United States, services will continue to be the area of employment growth for both nonmetropolitan and metropolitan areas. This means increasing the share of blacks employed in the business and distribution services sector. In 1987, only 7.5 percent of blacks worked in the B&D services sector, compared with 17 percent of whites.

Speculation on the Shape of Things to Come

It is unlikely that the economic prosperity found in the nonmetropolitan United States during the 1970's will return to the same degree in the short term. However, the economic situation does appear to be stabilizing somewhat, although the current recession will definitely hinder whatever progress is being made.

In the area of macroeconomic policy, which wreaked such havoc in the early 1980's, real interest rates are still high by historical standards but they have moderated over the last half of the decade and the value of the dollar against foreign currencies has declined substantially. The budget deficit remains a major problem but, even here, the deficit reduction agreement reached in 1990 does signal progress. Each of these developments has contributed to a revival in the agricultural trade balance in 1988 and 1989. While the merchandise trade deficit was still strongly negative in 1988 and 1989, it also has moderated since its peak in 1986 and 1987. A substantial forgiveness of Third World debt would improve our export position still further but such a move does not appear imminent.

The decline in real and nominal interest rates will not necessarily lead to greater credit availability in nonmetropolitan areas, however. First, a combination of financial deregulation and the banking crisis has left many communities without a credit institution, and thus without the institutional memory and face-to-face interaction that can ease lending restrictions. Second, the precarious financial position of many credit institutions has tightened lending restrictions, as well as resulted in some banks trying to recoup profits by not lowering their own interest rates in

response to a drop in the discount rate. The net effect of these positive and negative developments in the financial sector is difficult to gauge.

Elsewhere on the trade front, the proposal for a U.S.-Mexico Free Trade Agreement also raises the possibility of both positive and negative impacts on the nonmetropolitan economy. While very little research exists that estimates specific effects of such an agreement, it would almost certainly affect both rural manufacturing and agriculture. In agriculture, an expected rise in exports would benefit the industry while at the same time, imports of winter fruits and vegetables would hurt some regions. In manufacturing, the effects would also be mixed. The increased trade would likely benefit manufacturing in border States while simultaneously hurting manufacturing in other regions by drawing jobs away. If the jobs lost are primarily in nonmetropolitan areas while those gained in the border States are in metropolitan areas, however, as was the case recently with an AT&T plant closing in rural West Virginia and expanding in both Mexico and Dallas, then the consequences for nonmetropolitan development will be very negative. Since nonmetropolitan manufacturing often competes on the basis of lower wages, it seems likely that at least some manufacturing jobs would be lost to Mexico. Increased imports of textiles to the United States is also expected to hurt nonmetropolitan manufacturing.

Even though the economic turbulence experienced in nonmetropolitan communities over the past decade may be calming somewhat, the effects of economic dislocation are still substantial. What can be done to help nonmetropolitan areas adjust to these new economic realities? Since the future of nonmetropolitan development will primarily be tied to services, greater investment in education, training, and telecommunications infrastructure is essential. More advanced telecommunications will enable nonmetropolitan communities to take greater advantage of the trend to decentralize services functions. Without the added investment in education and training, however, upgrading telecommunications may benefit new residents migrating into nonmetropolitan areas to a much greater extent than they will benefit existing residents struggling to cope with economic dislocation.

Rural jurisdictions unfortunately will be unlikely to receive much assistance from the Federal Government in making necessary investments, not only because of the budget deficit but also because of a more general philosophical mood against Federal Government intervention. Since many rural communities lack the resources to achieve substantial change on their own, they will have no choice but to team up with other jurisdictions for cooperative ventures. However, this is an adequate solution at best for those communities that which have been most devastated.

Conclusion

The economic turbulence of the 1980's has created terrible difficulty for nonmetropolitan America. This is reflected clearly in the tremendous growth in the share of nonmetropolitan workers earning too little to raise a family of four above poverty, regardless of their region, sex, race, age, or educational attainment.

Equally disturbing is the fact that we appear to be moving farther away from the goal of economic equality. The nonmetropolitan/metropolitan gap in earnings has widened, as has that between nonmetropolitan men and women, between whites, black, and Hispanics, between age groups, and between those with and without any college education.

One expected consequence of these developments is that more nonmetropolitan workers lived in poor families in 1987 than did in 1979--9.4 percent of all nonmetropolitan workers in 1987 compared with 6.6 percent in 1979. This represents a 20-percent increase in the number of

nonmetropolitan workers living in poor families in less than a decade. As disheartening as this statistic is, it significantly understates the extent of the problem because it excludes all those nonmetropolitan workers who are unemployed or who have left the labor force altogether.

The broader economic changes that have contributed to this turmoil in nonmetropolitan America do not show signs of a reversal in the short term, though certainly the nonmetropolitan economy became much more stable at the close of the decade than it was at the beginning. Having global economic trends swing back even further in favor of the nonmetropolitan economy would certainly help. But rather than wait for such uncertain developments, we would be better off to assist nonmetropolitan workers and communities to make whatever adjustments they can make now. But first, we must acknowledge that creating a society of growing inequality runs counter to our deepest aspirations as a nation and that active intervention is called for.

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215 Explaining the New Spatial Inequality: Regulatory Policy and Local Economic Capacity

Susan Christopherson

Introduction

As the 1990 U.S. census data becomes available, new forms of inequality that have been documented only anecdotally are becoming visible and attracting increasing public attention. The spatial pattern is complex but recognizable. Broad regional inequalities have declined because of deindustrialization and the relocation of economic activity to the South and Southwest. At the same time, intra-regional inequalities have increased. A landscape dominated by local economic decline and concomitant losses in fiscal capacity and failing social welfare provision is punctuated here and there by suburban "hot spots," such as Contra Costa or Orange Counties in California and Fairfax County in Virginia. Thus far, the analysis of this pattern has been broached from three different angles. Analysts of rural economies have focused on nonmetropolitan population losses and the increasing economic gap between metropolitan and nonmetropolitan areas (see for example, U.S. Congress, 1988; Gorham and Harrison, 1989; Markusen and Carlson, 1989).¹ Their evidence is compelling. Between 1979 and 1987, nonmetropolitan unemployment rates ranged between 1 percent and 2.5 percent higher than in metropolitan areas. The ratio of nonmetropolitan to metropolitan per capita incomes declined from 77 percent in the late 1970's to 73 percent in 1987. The nonmetropolitan poverty rate is nearly 50 percent higher than that of metropolitan areas (Galston, 1991.)

At the same time, urban analysts have focussed on a parallel process--the increased concentration of poverty in the central cities, the loss of inner city population, and the increasing disparity between central city and suburbs in almost every respect--jobs, housing, and the quality of public and private services (see Goldsmith and Blakely, 1992; Persky, Sclar, and Wiewel, 1991). The third angle is that focused on the so-called "Post-suburban City", the places where employment and investment (and not incidentally, prosperity) concentrated in the 1980's. The evidence here is also compelling, indicating the presence of new agglomerations of advanced business services in suburban counties, job growth, and increases in purchasing power for suburban residents (Kling and others, 1991; Knox, 1991). Although rarely conjoined, the fiscal and economic deterioration of the central cities and of rural communities and the booming growth of suburban cities are inextricably linked--manifestations of the transformation of the U.S. space economy.

There are myriad explanations for the contemporary patterns of uneven development in the United States and, especially in the case of the urban crisis, most of them make reference to the internationalization of the U.S. economy, to questions of firm competitiveness, and to changing market conditions. But, these explanations are limited in at least one important respect. They neglect the role that national governments play in regulating economic processes even in an era of "deregulation" and economic internationalization. The creation of an international economy does not occur in a political vacuum but is mediated through national political institutions.

¹ Names in parentheses refer to sources listed in the References at the end of this chapter.

As a consequence, the new spatial inequality requires political-economic rather than economic explanations. In particular, we need to consider how and why the role of the U.S. Nation-State has changed in: (1) regulating market processes, (2) ameliorating those market consequences that undermine prospective equality among individuals, and (3) providing for public goods. These are not new questions but, thus far, various aspects of the changing role of the State--principally withdrawal from public goods provision and changing economic regulation--have not been sufficiently interrelated. They are, in fact, deeply interconnected. In the United States, the historical policy of adjustment to market shifts at the firm level (rather than through state direction or bank coordination) has contributed to a weakly organized social welfare state. This is exemplified in a number of ways, one of which is the reliance on private employee benefits as a form of social welfare. In the United States, these two areas of government policy--economic regulation and public goods provision--move together in a way which is not true of other industrialized economies. Both are tied to the requirements of firms rather than defended in a separate political arena. So, changes in firm requirements vis-a-vis the market are reflected in shifts in the content and extent of public goods expenditure and, more generally, in the forms of State intervention. The decisions that firms make to adjust to market conditions and the associated shifts in social welfare expenditures are translated into investment and expenditure patterns that have a spatial dimension.

In what follows I lay out how dependence on firm-led adjustment to changes in the international market determines forms of market intervention including public goods expenditures. I then examine how the U.S. path toward an internationalized economy has translated into deepening spatial inequalities that affect the prospective equality of individuals. Finally, I look at policies that have been proposed to cope with national withdrawal from responsibility for the social welfare and economic development capacity of regions and localities. Since these policies have tended to mirror private investment patterns, their effect has been to deepen uneven development rather than to alleviate it.

Theoretical Approaches to Crisis and Adjustment

To understand why the U.S. Federal Government has moved away from certain types of market intervention policies one needs to ask why such policies were enacted in the first place. A number of theoretical perspectives are valuable here, their common feature being a rejection of economic determinism in favor of multi-causal institutionally-based explanations for why and how markets are regulated. The expanding body of work on States and markets, for example, is premised on the idea that "governments may choose to act in a variety of ways to shape their respective financial and industrial structures" (Cox, 1986). Thus far, macroeconomic analyses of the relationship between States and markets have been primarily concerned with the direction and control of industrial investment (see, for example, Zysman, 1983; Cox, 1986). The major point of contention among analysts of the relationship between States and markets has concerned the political basis for these regimes; that is, how governing relationships are established politically, how they are maintained, and whether and under what conditions they can be altered. The implications of different State market systems for regional and local economic development policy and their relationship to the ethos and practice of social welfare policy have only been explored indirectly. It is this interaction that I want to explore more fully below.

Of the three types of financial systems prominent among industrialized economies--the capital market system with resources allocated by competitively established prices, the credit-based system with administered prices, and the credit-based, bank dominated system--the United States is the foremost example of the first type. What this means in practice is that adjustment to changes in market conditions is formulated and led by individual firms rather than negotiated by "social

partners" (the state, labor, and capital) as in Germany and Sweden or state-led through industrial policy, as in Japan. Within a capital market system, as exemplified by the United States, industry, government, and finance operate, at least formally, in separate spheres. Government ability to influence investment decisions or employment policy is weak in contrast with the other systems.

The United States is singular among industrialized economies in the degree of vulnerability to market forces because its adjustment is microeconomic, firm-led, rather than mediated through societal level institutions. Although there are state-market regulatory systems that are quite similar to that of the United States, such as those of Britain and Canada, a prominent difference increases the risk and vulnerability factors in the U.S. regime. In these other firm-led adjustment systems a nationally-organized social welfare system serves to mitigate the effects of firm-led adjustment policies (King, 1989). The lack of such a system in the United States deepens the vulnerability of individuals to the consequences of firm-led adjustment and, arguably, produces a different set of political responses. In the United States, firm-led adjustment is not only the product of politics but also shapes politics in its own image, including definitions of the public good.

By definition, capital market systems are much more responsive to short-term changes in market conditions and mitigate against long-term investment strategies. In the United States, this sensitivity was heightened in the 1980's. Changes in financial regulation made capital markets hypersensitive and more competitive by breaking down the regulatory barriers that had distinguished and separated the transactions that could be carried out by different types of financial institutions. Financial deregulation may have made U.S. headquartered financial institutions more competitive on world capital markets but it also increased the volatility of the domestic capital market. Financial deregulation interacted with other political decisions (particularly to end enforcement of antitrust laws) to encourage concentration across a wide range of sectors, including airlines, trucking, retail and financial services. One effect of this deregulatory activity was to stimulate the growth of financial services in the 1980's. New financial products were introduced and mechanisms were developed to manage a world capital market. Exemplifying this process, brokerage activity increased 83.7 percent from 1979 to 1985 (Thurow, 1989).

The rush to concentration through merger and acquisition in the 1980's decreased cost competition in some product markets. At the same time, cost and profit pressures on firms have increased because of the need to pay high dividends and because of acquisition-related debt (for further analysis, see Kaufman and Kormendi, 1985). Constraints imposed by the rules governing U.S. financial markets mean that U.S. firms in many sectors are under strong pressure to keep costs down and to move into product markets, which will produce short-term profits rather than those which require long-term investment. In addition, firms need to move out of less profitable markets very quickly. This pressure leads to the contraction of product cycles and places a premium on certain types of short-cycle product innovation such as the repackaging of existing products in new forms to reach different markets. It works against other forms of innovation that are dependent on long-term investment, such as client-oriented customized production. The trends emanating from capital and product markets are also manifested in consumption patterns. The shortening of product cycles translated into less predictable product demand and unexpected variations in demand in many sectors.

The orientation toward investor-interest dominated, firm-led adjustment in the United States is manifested throughout the political economy, in the public as well as in the private sector. There is, for example, an institutionally-embedded history of providing many public goods through private sector firms and of justifying public goods expenditures in terms of their relationship to factor creation. In the United States, the investor is the pivot around which the political-economy revolves.

The interests of investors and firms changed in the 1970's and 1980's in response to the internationalization of markets. These new interests, in turn, stimulated changes in regulatory institutions and in the form, scale, and scope of public goods expenditures in the United States. A new resolution was achieved. The social and spatial outcomes of this new resolution suggest, however, that investor and firm interests do not necessarily coincide with the interests of the economy as a whole. As will be further described below, spatial inequalities with dramatic consequences for the prospective equality of individuals were exacerbated in the 1980's by this new working out of the enduring conflict between social and individual interests.

The Changing Locus of Regulation

The question of how changes in regulatory regimes affect differently situated individuals and regions is generally neglected because of the sectoral orientation of regulatory policy.² Studies of sectoral change in the 10 years following what is commonly known as deregulatory policy, however, indicate that its benefits are unevenly distributed. Although its supporters argue that increases in efficiency have substantially benefited consumers, there are also those who argue that the short-term benefits in decreased product unit costs are outweighed by increased costs with respect to service quality, access, and consumer time (Richards, 1987). As Kevin Philips (1992) notes: "A fair consensus view was that educated, reasonably affluent consumers able to understand the widening array of choices and take advantage of reduced price opportunities reaped the most benefits, while poor people strained by high minimum balance requirements at banks and steep local phone rates--fared the worst."

This gives us a clue about the nature of the regulatory changes that is, as yet, not visible. Deregulation at the national level left a regulatory vacuum. Since both individual consumers and firms continue to need information and assurance about what they can expect in the marketplace, new forms of regulation have emerged. As Fred Block describes in analyzing markets, we cannot simply assume that when regulatory mechanisms are removed, nothing appears in their place (Block, 1990). Market intervention or regulation is necessary to enable investors and purchasers of goods and services to assess the reliability of firms and their solvency.

In the United States, the inability of unions to play screening and signaling roles as they do in other industrialized societies raises another set of regulatory needs. Given the essential nature of these functions to the operation of markets, new institutions and regulatory mechanisms are emerging to fill these gaps. These new regulatory institutions are private as well as public. In contrast with the regulatory mechanisms which preceded them, many of which incorporated some form of public interest, the new regulations are fragmented and intended to solve particular, narrowly-defined market information problems to assure economic reliability or provide solvency safeguards.

Broader public interest concerns such as those for access to services (in the case of financial institutions), firm safety, or employment practices, are diluted by the local fragmented nature of the new regulatory regime. At worst, the venues in which public interest issues can be raised are eliminated. So, while we still have regulatory mechanisms and institutions, the locus, purpose, and

² The new regulatory phase attempts to address some of the problems that have developed as a result of the deregulation of the 1980's. One objective of new regulations is to reduce government liability for the consequences of restructuring that have taken place in conjunction with deregulation by, for example, raising certification standards for federally provided insurance. A second objective is to transfer more risk to the worker and raise productivity by new worker certification regulations, such as national truck drivers' licenses.

scope of regulation has changed. It now occurs at the level of the firm, through private associations of firms, or through the application of technical standards by public agencies. Examples of new regulatory mechanisms include increased use of performance bonding, solvency safeguards, "preferred" contractor lists, and elaborated contractual relations among firms. One implication of the individualization of firm practices is that even if a firm demonstrates "best practice" in its work organization, employment policy, and productivity, there is no mechanism to institutionalize such practices across the sector because of the lack of sectoral regulatory capacity.

The changing locus, form, and scope of regulation also affects labor markets. Evidence is beginning to appear linking national "deregulation" with decreased investment in the work force by employers, with the degradation of working conditions, and with a shortage of skilled workers in some affected industries (Philips, 1990; Belzer, 1992). These developments are consonant with firm-led adjustment. When the burden for adjustment lies solely with the individual firm, management will attempt to reduce what are known as nonproductive labor costs and to rely, to the extent possible, on external labor market solutions. Again, however, new regulatory mechanisms are emerging to deal with the uncertainties produced by an "unregulated" labor market--drug testing programs, certification programs, and national driver's licenses are among the examples. In all these cases, implicit social regulation (often without legal specification) is replaced by (often) legally-specified, individually-oriented screening and signaling devices. Given the fragmented nature of the new regulations, it is possible to speculate that regulation may increase rather than decrease.

One sector that has been profoundly affected by the changing regulatory regime is that of financial services. Intrasectoral boundaries have been broken down among financial services (commercial banking, insurance etc.) in the United States and firms freed to look for the most profitable markets and investments. Although specific deregulatory measures intensified restructuring in the 1980's, pressures to reorganize financial services developed over a much longer period of time. In the 1960's and 1970's, nondepository financial institutions, such as brokerage security services and insurance companies, devised short-term investment products that yielded a higher return than the interest savings accounts of thrift institutions, which were restricted from competing by interest rate restrictions. Consumer lending, in general, diversified during this period. General Motors was the largest consumer lender in the United States in 1980 and by 1981, and business lending by nonbank firms accounted for 20 percent of all business loans (Fraser and Kolari, 1985). At the same time, the Eurodollar markets generated other unregulated investment opportunities. Partially in response to these developments, a series of legislative acts were initiated to remove controls on bank and thrift institution investments. These measures paved the way for the contemporary financial service industry. One consequence of this restructuring is that some types of financial institutions no longer rely on a local deposit base as a source of investment capital but rather draw investment funds and invest across regions, countries, and sectors. In the search for more profitable markets and investment opportunities, banks have moved away from the provision of services and toward the sale of financial products (Rankin, 1992).

The removal of national regulatory provisions has made for much more competitive financial markets which have, in turn, affected product markets. One prominent example of these changes is the insurance industry, historically known for its conservative and long-term investment strategies. State regulations governing discretionary investments by insurance firms have been considerably liberalized since the mid-1970's. According to one official from Metropolitan Life Insurance Company, "We don't see ourselves playing a role in the long-term, 25 to 30 year bond market We like to do it but if the market doesn't demand it, then we have to respond to the market" (*National Underwriter*, Feb. 13, 1982).

Very little research has been done on how changing regulation has affected access to financial services by different segments of the population. Three features of the transformation appear to be of particular significance, however. The first is rationalization, as exemplified by the increasing use of technical criteria to evaluate applications for financial products, such as various types of loans. This rationalization is attributable, at least in part, to the development of secondary markets. Another feature of the transformed financial services market is increased differentiation among firms with respect to their strategies and a decline in consistency of firm behavior within sectors (Rankin, 1992). A third feature is a pattern of selective investment in potentially higher profit market segments.

One example of these strategies is exemplified by Manufacturers Hanover, which identified a target market as approximately 40 percent of the total population. Manufacturers Hanover set out to reach this group with better services and more convenience. To reduce their overall costs, branches were automated, 24 percent of the work force was eliminated over 5 years, and 15 percent of the branch network (in unfavorable market areas) was closed. New investment was concentrated in areas close to the targeted markets.

Changes in regulation have affected who provides financial services and what functions are carried out in different types of financial institutions. As financial institutions pursue selective investment strategies, branches in low-income areas are particularly vulnerable because of the high volume of transactions processing in these banks and the low proportion of sales of financial products (Towle, 1990; see also Milkove and Sullivan, 1989; Edwards, 1986; Fraser and Kolari, 1985). Market uncertainties have potentially increased the volatility of investment institutions as well as affected the geographic distribution of services. Bank branches appear to be proliferating in some areas, particularly suburban counties, while at the same time being eliminated in less accessible and poorer areas.

The profit rather than market share orientation of contemporary financial institutions implies the strategic targeting of populations and communities. According to one account, "The neighborhood branch is not only superfluous but operates as a drag (upon the bank) unless the branch is located in the neighborhoods where the 'cream' of the market reside" (Rankin, 1992). And, another, "The traditional concept of banking services and careful nurturing of longtime customers is being replaced by concepts of targeting and "creaming" the market" (Dennis, 1984). All the evidence indicates that until branch banks are eliminated by electronic banking, service provision will be strongest in the suburban agglomerations.

In addition to the question of basic service provision, two characteristics of the current financial market in the United States are relevant to place-based economic development. First, the increasing emphasis on short-term commercial loans has reduced the availability of long-term, fixed-rate financing crucial to community and small business development. Second, pressure to exit less profitable markets has led to a very unstable local financial market characterized by rapid turnover (Fishbein, 1989). Another, secondary, implication of the emerging distribution of financial services is a loss of expertise. Branch banks staffed primarily by sales personnel are unlikely to have the type of representation on community boards and chambers of commerce that resulted in lending practices reflecting "local knowledge." The controversy over Federal regulators' use of technical rationale to evaluate risk and its devastating effects on previously credit-worthy borrowers from the Bank of New England is only the most publicized case of the consequences of the shift from social to technical regulation.

Financial market deregulation has also been associated with financial concentration across sectors of the U.S. economy. A dramatic example of the effects of concentration is the so-called "Wal-Marting" of rural America or the replacement of locally-owned stores by discount retail chain

stores in centralized locations. Kenneth Stone's research on the economic effects of this new organization of retail trade indicates several important consequences for nonmetropolitan areas. First, in the towns and cities which become retail "nodes," the total retail trade area expands. Competing general merchandise stores, as well as specialty stores in the immediate vicinity suffer losses in sales though there are some beneficial spillover sales to complementary activities such as fast-food restaurants. Fewer purchases are made in the towns without Wal-Mart operations. So, in the first 4 years of Wal-Mart operation, Iowa stores lost 11 percent of their total sales, with losses in some sales categories, such as apparel, approaching 12 percent (Stone, 1989).

Financial concentration in retail firms has led to centralization of retailing and affected nonmetropolitan communities in at least three ways: decreased sales tax revenue in many localities, increased unemployment, and redistribution of employment opportunities to higher order centers and decreased local investment. Similar trends have been reported for metropolitan areas as large retail firms close down in central cities and move their streamlined retailing operations to suburban locations.

Changes in the regulatory environment have deepened tendencies toward firm-led adjustment primarily through decisions not to enforce antitrust law. The impact of this national policy is evident in the retail sector, which has undergone dramatic change since the 1970's. The lack of enforcement of antitrust law has accelerated the process of merger and acquisition, which began to reshape the industry in the 1970's. For example, although firms such as Macy's were able to stave off takeover in the 1970's by strategic acquisitions, which increased their debt to equity ratio and made them direct competitors with potential acquiring firms, this strategy began to fail in the 1980's. Direct competition in some markets no longer constituted a regulatory barrier to takeover. In addition, the openness of the U.S. market to foreign capital increased the number of potential acquirers. The takeover of Macy's by the British Batus Group was one result.

The kinds of decisions made by financial service and retail firms as they adjust to changing market conditions (financial, product, and labor) are representative of firm-led adjustment patterns in the United States. They suggest that firms are identifying and targeting particular high profit market segments and withdrawing from less profitable markets. And, in many cases, the increased debt load carried by firms is forcing them to restructure operations to reduce labor inputs. Thus, we can expect that more concentrated consumer service activities will not generate employment in the 1990's.³

The available evidence indicates that a number of significant spatial patterns are associated with the U.S. path to structural adjustment, one which is investor-interest dominated and firm-led. Among these patterns are: (1) concentration of consumer services in fewer nodal locations, such as regional shopping centers; (2) the loss of services in central city and nonadjacent nonmetropolitan areas; and (3) growth of both consumer services and advanced business services in suburban counties.

One of the presumptions of firm-led adjustment as it affects the spatial location of economic activities is that firms choose the most efficient, that is, least cost, location. The determination of locational "efficiency" is not only a matter of direct production costs but of the cost of public goods such as education, health, and physical infrastructure. With respect to the quality and cost of these public goods, suburban locations are "more efficient" for a number of reasons. First and

³ Since changes in U.S. market structure are typically ascribed to a "natural" process of market differentiation, the behavior of firms takes on a special interest. Rather than emanating exogenously from consumers, market segmentation appears to be a process in which firms actively define market segments and present them with different sets of products and services. From this perspective, market segmentation is less driven by the consumer and more by the seller.

foremost, they have newer infrastructure, subsidized by state investment during the suburban boom beginning in the 1950's. Second, the wealth of the residential population supports higher property tax levels which, in turn, support local public goods. In addition, the defense expenditures of the 1980's were highly skewed toward suburban locations and so provided a form of localized "military Keynesianism." Central city locations are, in contrast, "less efficient" because their infrastructural base is old, and the population is poorer and less able to locally support necessary public goods. In other words, the history of state intervention is directly related to the relative "efficiency" of urban or suburban locations.

In some locations, these inequalities in local economic capacity were obscured during the 1980's because of the economic growth engendered by the deregulation of financial services and the entry of women into the work force. The effects of these short-term economic stimuli began to decrease in the late 1980's, however, and spatial inequalities to increase among cities, suburbs, and rural communities. These inequalities are progressively leading to a vicious circle of failing fiscal capacity, service reductions, loss of establishments and jobs to the suburbs, and then, further declines in fiscal capacity.

The problems associated with industrial restructuring and capital mobility are not unique to the United States. They are, however, exacerbated in the United States by the degree to which solutions are perceived to lie in the dismantling of the public sector to mirror the market-oriented process of firm-led adjustment. The effects of firm-led adjustment have been magnified by a range of State and Federal Government policies intended to redistribute to individuals the responsibility for providing what were once conceived of as public goods and a collective responsibility. These policies have exacerbated trends toward social and spatial inequality in the United States.

The Restructuring of Public Goods Provision

The ways in which public goods were defined and provided by the U.S. Nation-State changed in some fundamental ways in the 1980's. First, there was a breaking away from a conception that the Nation-State is responsible for the well-being of places located within its boundaries. There was a conscious effort to sever the bond between national and place-based prosperity (Barnekov and others, 1989). This position was expressed via dramatic cutbacks in nonentitlement human service programs, which were administered by localities in areas such as housing and community development, and employment and job training. Overall, Federal spending in these areas declined 35 percent between 1982 and 1986. Second, there was increased commodification of public services, including social welfare services, such as health care (Esping-Andersen, 1990). Intensified commodification increased the market sensitivity of that already sizable portion of social welfare in the United States, which is provided through the public sector. Third, responsibility for "nonproductive" public goods such as infrastructural construction, education, and job training was transferred to the State and local level.

Although questions of fiscal capacity and methods of financing public goods are central to decisions to restructure public sector activities, the processes of both privatization and transfer of responsibility for service provision are essentially political. They are strongly influenced by the historical relations between bureaucracies and political parties (Starr, 1990; Orloff, 1988). In the United States, the lack of social welfare institutions predating universal suffrage, and decentralized, interest-based political decision making has contributed to a weak constituency (compared with Western European states) for the provision of public goods. Within this context, however, there were also obvious political advantages to be gained from reducing and redirecting expenditures for public goods in the 1980's. For example, the reorganization and privatization of

public service provision at the national level allowed the Republican party to undermine the power of the Federal State bureaucracy, which has historically been liberal and Democratic, and to transfer wealth to their private sector supporters. It was also a way to withdraw resources from traditionally Democratic Northern city governments and shift them to a Republican constituency in the suburbs.

As a result of political decisions, and within the rubric of the "New Federalism," State and local assistance from the national government declined precipitously. The proportion of the Federal budget devoted to local assistance programs declined from 15.5 percent in 1980 to 10.7 percent in 1987. This created a secondary fiscal crisis at the local level, which has spurred further privatization. Since, in the United States, local social welfare services have historically been provided through the use of nonprofit corporations, the recent wave of Federal cost cuts has stimulated a restructuring of that portion of the private sector that provides public services (Wolch, 1990). And, as in the "productive" private sector, a tendency toward mergers and acquisitions among private sector social service providers and failure of many small providers with less access to corporate giving programs.

Another similarity between trends in the private productive sector and in the private social welfare sector is that toward re-regulation of the sector. State contracts have tended to force providers away from universal service provision and the constituency it provides them and toward servicing only the acutely needy. The state and its political priorities now define the client rather than the client being defined by the social service provider. Increased accountability rules have increased emphasis on contract management over service provision (Wolch, 1990: 77-78). The idea here, presumably, is to increase pressure on private social welfare providers to assume the cost of providing the most expensive social welfare services to the needy, leaving the more profitable clients to be served by the "authentic" private sector. And, by subcontracting the most difficult services, to divert claims for service or the lack of it from the state to the private provider.

The private hospital sector provides a dramatic case of firm-led adjustment in the social welfare sector and its consequences for the organization of the sector. In 1950, public hospitals accounted for one-third of all hospital beds. By 1985, they accounted for one-seventh. Although the hospital sector has been privatizing since the 1950's, privatization accelerated in the 1980's as did the closing of nonprofit (voluntary) hospitals. The American Hospital Association, which tracks the financial condition of hospitals, indicates that financial pressure is particularly severe on small hospitals in rural areas and in inner-city areas. Seventy percent of rural hospitals and 50 percent of urban hospitals are financially distressed and in danger of closing. The primary reason given for the accelerated financial distress of these hospitals is their increased responsibility for acutely ill patients and decreased Federal support (*Hospital*, Mar. 5, 1989). A study of hospital closings and relocations in 52 U.S. cities showed that voluntary hospitals provide almost four-fifths of the acute care in the cities studied, almost three-fourths of the care received by minority or Medicaid-funded patients, and as much as three-fifths of care for patients without insurance. In contrast, the increasing proportion of hospitals that are part of or associated with private-for-profit chains either have an explicit policy to not serve needy populations or simply avoid responsibility for this high-cost, low-profit group by virtue of their suburban location. Increased competitive pressure on the remaining voluntary hospitals is forcing them to redefine their client population. According to Sager (1983):

the high costs of hospitals serving the poor may have become an excuse for disenfranchising such patients Proposals to advance "competition" will underpay the costly hospitals that continue to serve Medicaid and minority patients in disproportionate numbers. Hospitals which do not serve the poor or provide

tertiary care or train physicians may be at an advantage in the future as competition among surviving urban hospitals and physicians for a shrinking pool of well-insured patients grows in intensity.

A firm-led adjustment policy in the arena of privately provided social welfare services is directly complicit in the loss of services in poor neighborhoods in central cities, and in rural communities. The withdrawal of services from some areas and population groups reflects political decisions to subject nonprofit social service providers to the forces of competition and to force them to adjust as individual "firms" instead of as integral parts of a social welfare provision system. Obviously, the loss of such services is compounded by the loss of employment they provide. In small communities, the hospital may be the largest employer as well as a source of a range of jobs from the most unskilled to the most highly skilled.

The relative cost and availability of public goods is subsequently reflected in firm decisions about where to locate offices and factories. Those public goods not directly related to employment, such as schools, libraries, physical infrastructure, public health services, and police, constitute costs to firms. As a consequence, firms will choose to locate in places where public goods are provided at least cost because of previous or contemporary government subsidies and because of the tax base provided by the local residential population. Since the United States does not have a nationally organized welfare state and since these critical services are financed locally, there will be distinct differences in the ability of places to adequately provide nonemployment related public goods. The result is that both social services and productive employment have been drawn to suburban locations and away from inner cities and rural communities. Public goods expenditures have followed firm-led adjustment, exacerbating rather than ameliorating tendencies toward uneven development. And, together, firm-led adjustment and a locally-dependent public goods policy have created very different conditions for economic development from place to place.

Firm-Led Adjustment, Politics, and Regional Policy

In the late 1980's, the possibilities for regional economic development arising from foreign capital investment in manufacturing sparked considerable enthusiasm. One case which drew particular attention as a model for development was that of the Saturn Plant in Spring Hill, Tennessee. According to recent accounts, the siting of the plant stimulated land speculation in the surrounding county with the expectation of investment in ancillary facilities and services, and growth in employment in the county. This ancillary economic development has never occurred and unemployment in the county has risen. The reason? The county could not afford to provide the necessary social and physical infrastructure that would have allowed smaller firms to locate near the assembly plant. Contributing to this lack of capacity, was the tax bargain made to attract the Saturn plant. County officials had given Saturn investors such an advantageous tax deal that no funds would be available for investment in public goods for years. This story of lost opportunities is only one among changing local fortunes. Much more common is the story of accelerated economic decline and decreasing ability to provide even basic services at the local level.

Ironically, given increasing place-to-place differences in social welfare and economic capacity in the 1980's, almost all economic development programs have been aimed at attracting capital investment by offering a more efficient (that is, less expensive) location when compared with the alternatives, whether in the United States or abroad. This "beggar thy neighbor" approach has exacerbated the economic development problems associated with firm-led investment. First, it has given firms low-cost alternatives within the United States, encouraging them to use a low-wage, low-capital investment strategy to solve their high profit and high dividend problems. If locally-

subsidized, low-cost alternatives are available, there is little incentive to work to increase productivity in other ways.⁴ The capital mobility induced by local competition to provide low-cost production environments has decreased regional differences in employment the United States but has done nothing to solve more basic problems. Second, economic development through local competition has deprived localities and regions of the capital necessary to build the social and physical infrastructure required to produce a sustainable, high-skill production environment.

Dependence on locally-initiated, cost-driven economic development has increased during a period in which local capacities have been systematically undermined. Per capita State and local spending increased 31 percent between 1984 and 1988 (in comparison with an 18-percent inflation rate). Much of this growth was driven by health care costs and Federal mandates to expand medicaid. At the Federal level, the biggest cuts were absorbed by those programs that were oriented toward "in-need" populations and places. Throughout the 1980's, grants-in-aid programs for rural areas were dramatically slashed. And, even basic infrastructural investment projects were eliminated from the budget (Hardy, 1983).

Understandably, given the orientation toward firm-led adjustment in the United States, the strongest currents in the new ideology of local initiative were based in microeconomic, firm-centered paradigms. A case in point is the industrial district model which became wildly popular in the 1980's among planners and policymakers looking for a way out of the morass of local competition for low-wage jobs. Examples of successful industrial districts exist throughout continental European countries but as study after study has demonstrated, their success is not attributable only to the effectiveness of firms through network relationships. One of the most interesting aspects of the successful industrial district is the role of territorial governance (in the broadest sense).

What is notable about this role, and the relationship between state and economy in some of the most lionized industrial districts, is how it differs from the locally-initiated development model that has become standard economic development policy in the United States. The locally-initiated development model is intended to increase place-based competition rather than intra-regional cooperation. The territorial governance model, in contrast, emphasizes what goes on in the region. Its development is dependent on a strong, intervening local state and on a concept of "municipalism" that creates the space for innovative expansion and blocks the exploitation of labor (Piore and Sabel, 1984). Successful industrial districts develop within national systems in which firms are obligated (socially, if not legally) to invest in human capital. They emerge under regulatory conditions in which it is advantageous to implement high-wage, high-capital investment strategies rather than low-wage, high-profit strategies. The political ideal of industrial districts is synonymous with State intervention.

Thus, regional development in the industrial district form is not just a story about firms and firm interactions or about competitiveness but about intervention in the market. This is manifestly true of the most successful U.S. industrial districts whose success is attributable to defense expenditures and their subsidization of high technology industry. By extension, if we want to develop policies to respond to the difficulties facing those places that are outside the favored circle of growth in the 1990's, we need to rethink the forms and nature of market intervention as well as the scale at which it occurs. The most critical and difficult reassessment must occur at the national level where we make the rules that govern the financial market and firm investment patterns and produce the fortunes and misfortunes of places and regions.

⁴ For a case study of the effects of these choices in one firm, see Lazear, 1986.

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**New Directions for Demographic Research on Rural
Population Change and Development--
Results of the Work Groups**

Internal Migration and Population Redistribution: Issue Brief

Glenn V. Fuguitt

The last 20 years have seen two dramatic shifts in the pattern of nonmetropolitan population change. In contrast to previous decades, the "nonmetropolitan turnaround" of the 1970's was a period of renewed and widespread nonmetropolitan growth that overall was at a higher level than metropolitan growth. Much of this was due to migration, for by the early 1970's Current Population Survey (CPS) data showed that the number of metro-to-nonmetro migrants had exceeded the number going in the opposite direction. This period was followed, however, by the "turnaround reversal" of the 1980's, during which nonmetro growth slowed considerably, and was again outpaced by the growth of metropolitan areas. By 1982-83, the CPS once more showed there were more migrants from nonmetro to metro areas than from metro to nonmetro areas, and this continued through the decade. The first of these unanticipated trends led to a great deal of research, but work on the second has been more limited. Now that new data are becoming available, it is important to give more attention to recent changes and to reappraise the 1970-80 turnaround period in the light of the succeeding decade.

The Population Turnaround and the Turnaround Reversal

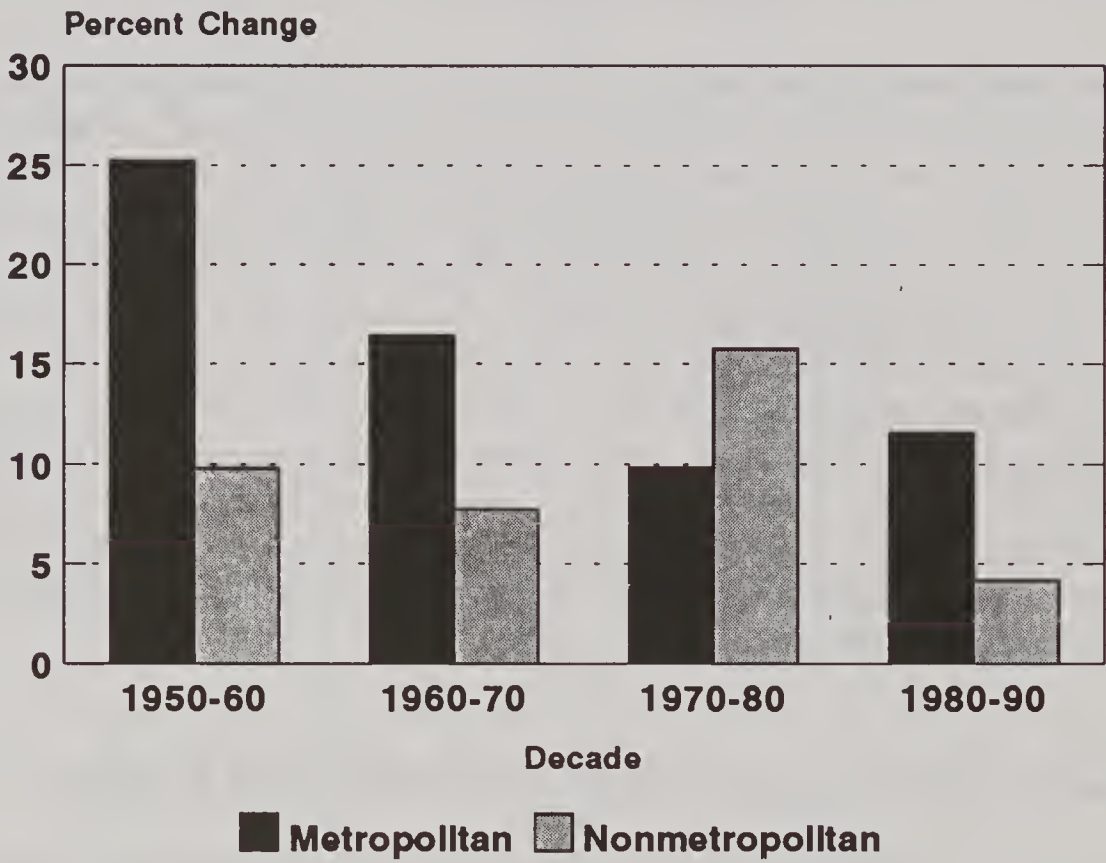
Trends since 1950 in nonmetropolitan and metropolitan population change are given in figure 1. (Appropriate migration data are not yet available.) For the United States as a whole, the population change pattern of the turnaround decade clearly stands out as the anomaly. Although in every decade nonmetro counties adjacent to metro counties as a whole grew faster than nonadjacent nonmetro counties, the difference was least in 1970-80, and the enormous increase between 1960-70 and 1970-80 in the growth of nonadjacent counties showed the turnaround was not just metro spillover. The most recent decade, however, is clearly a return to the previous pattern. Early in the 1980's, using the 1983 and 1984 county population estimates, some of us bravely said that there had been a reversal, but we were not going back to the situation in the 1960's. On the contrary, the results here, using the metro-nonmetro county designation at the beginning of each decade for comparability, actually give some support to the view that the 1980's represent a return to the 1950's in growth differentials, though, of course, without the overall rapid growth of that decade that was fueled by the baby boom. Nonmetro rates were 35 percent of metro rates in 1980-90 and 38 percent in 1950-60, but they were 68 percent of metro growth in 1960-70. Similarly, the relative difference between adjacent and nonadjacent nonmetro county growth is closer to the 1950's than the 1960's.

Figure 2 shows the turnaround was found in all regions except the South. There, nonmetro percent change was almost twice as great in 1970-80 as any other decade, but continued to be outpaced by metro growth. Metro growth is above nonmetro growth in every region in the other decades. The most striking trend in the regional tables, however, is the very slow growth in the North as compared with the South and West over the last two decades. This trend definitely did not reverse itself in the most recent decade, and work on recent metro-nonmetro change must be done in the context of this regional redistribution. Overall, both the turnaround and the turnaround reversal were widespread. In 1970-80, fully 81 percent of the nonmetro counties grew

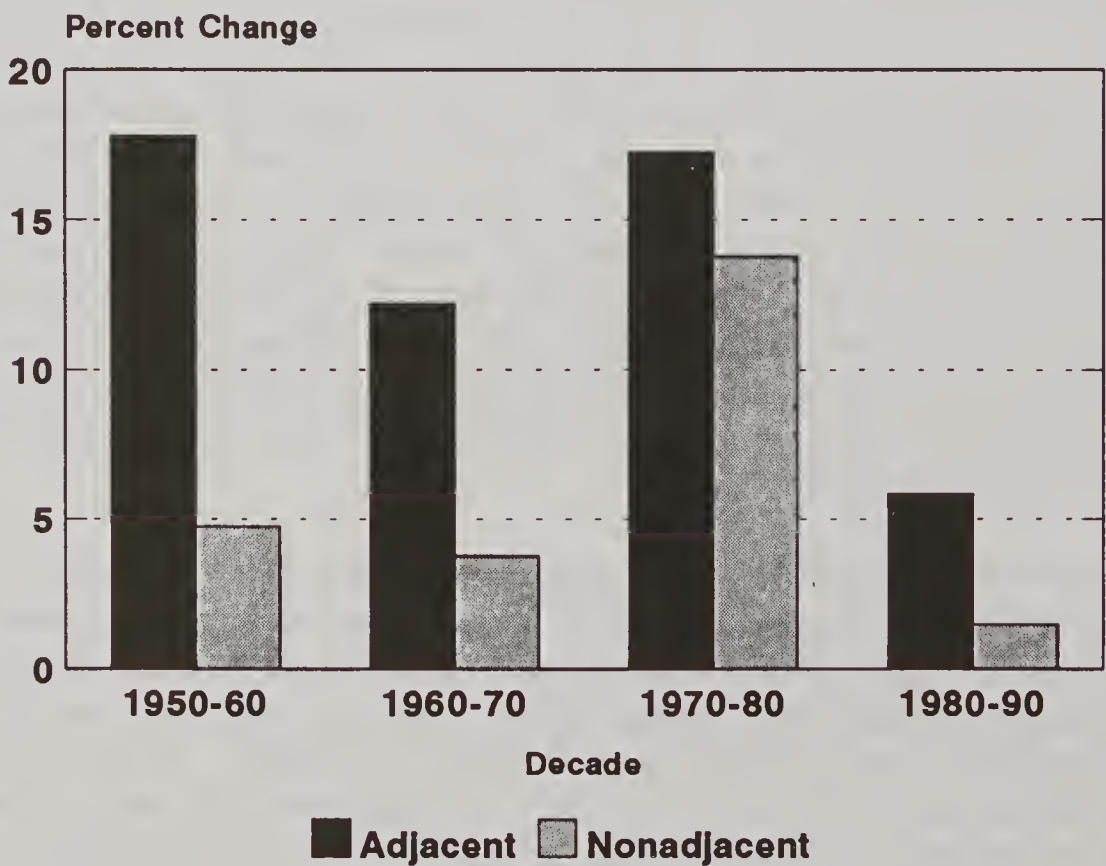
in population, whereas in 1980-90 only 47 percent grew. Comparable figures for 1950-60 and 1960-70 are 46 and 51 percent, again showing a return to an earlier period in growth pattern.

Fig 1. US Population Change 1950-90

METROPOLITAN AND NONMETROPOLITAN



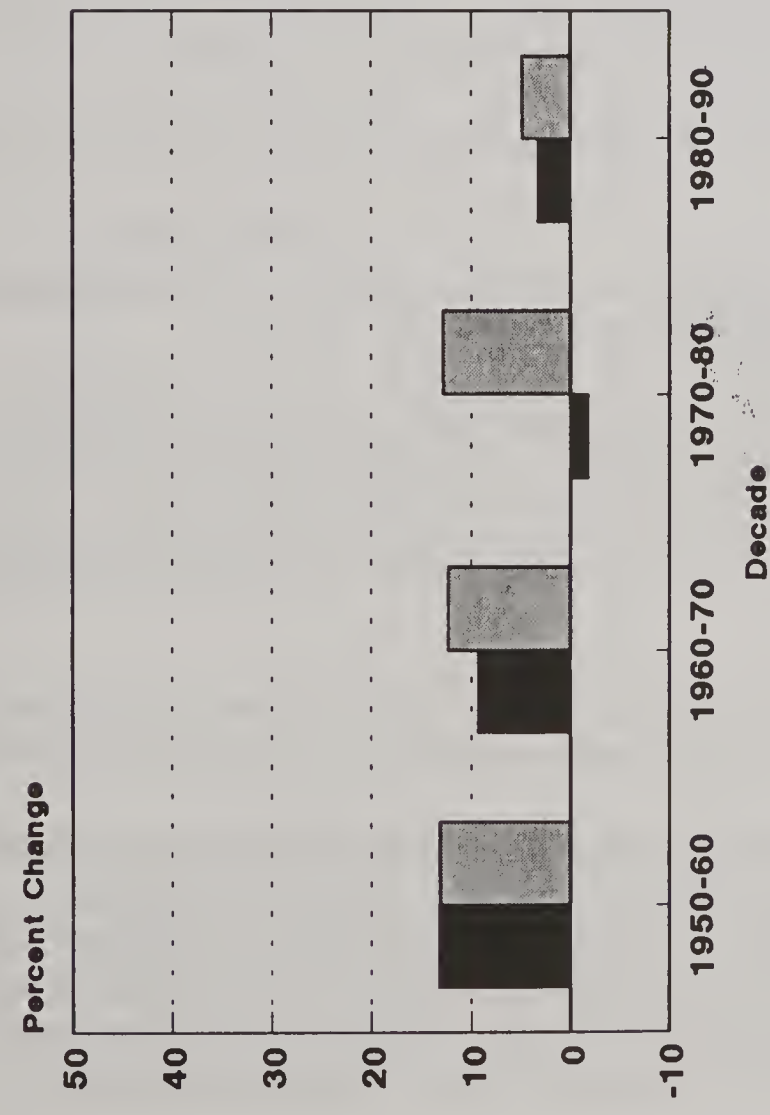
NONMETROPOLITAN ADJACENT, NONADJACENT



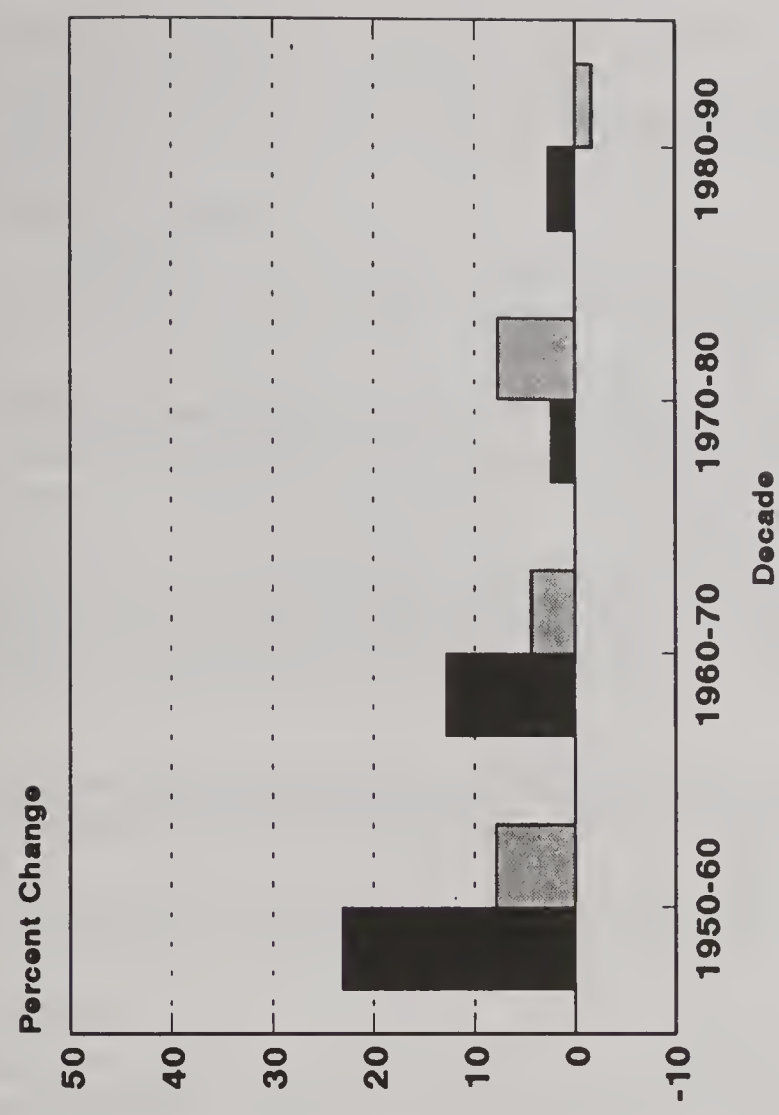
Metropolitan designation at beginning of each decade.

Fig 2. Population Change by Residence 1950-90

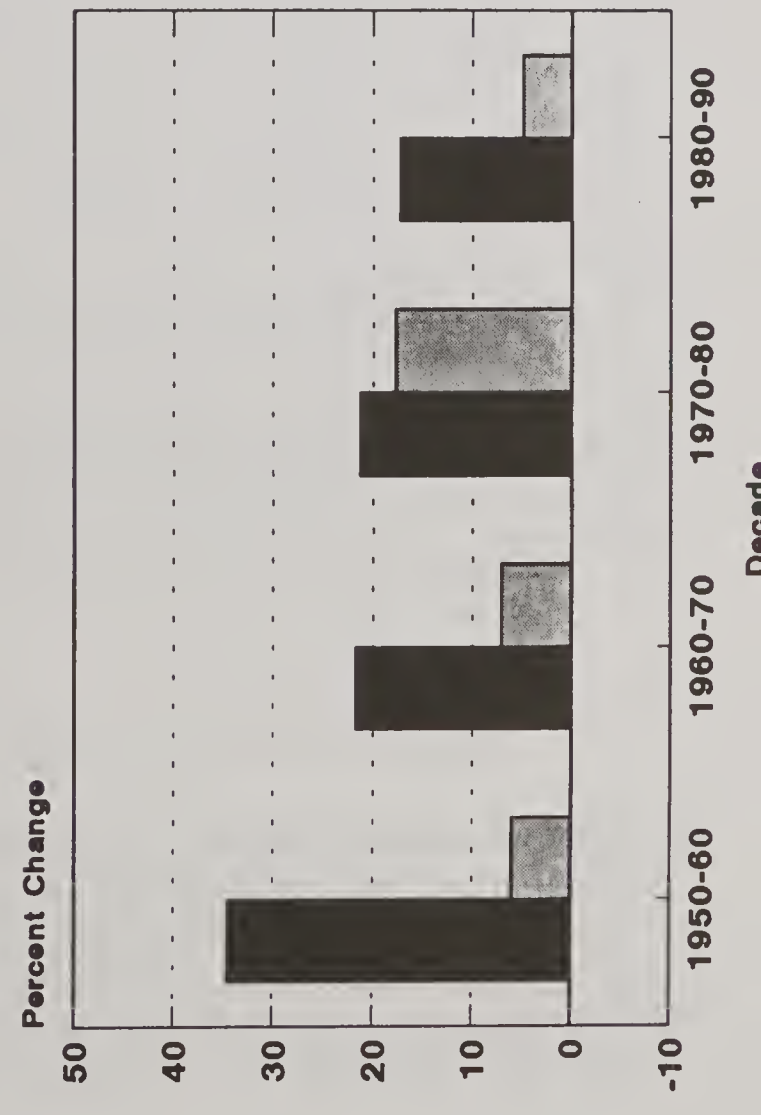
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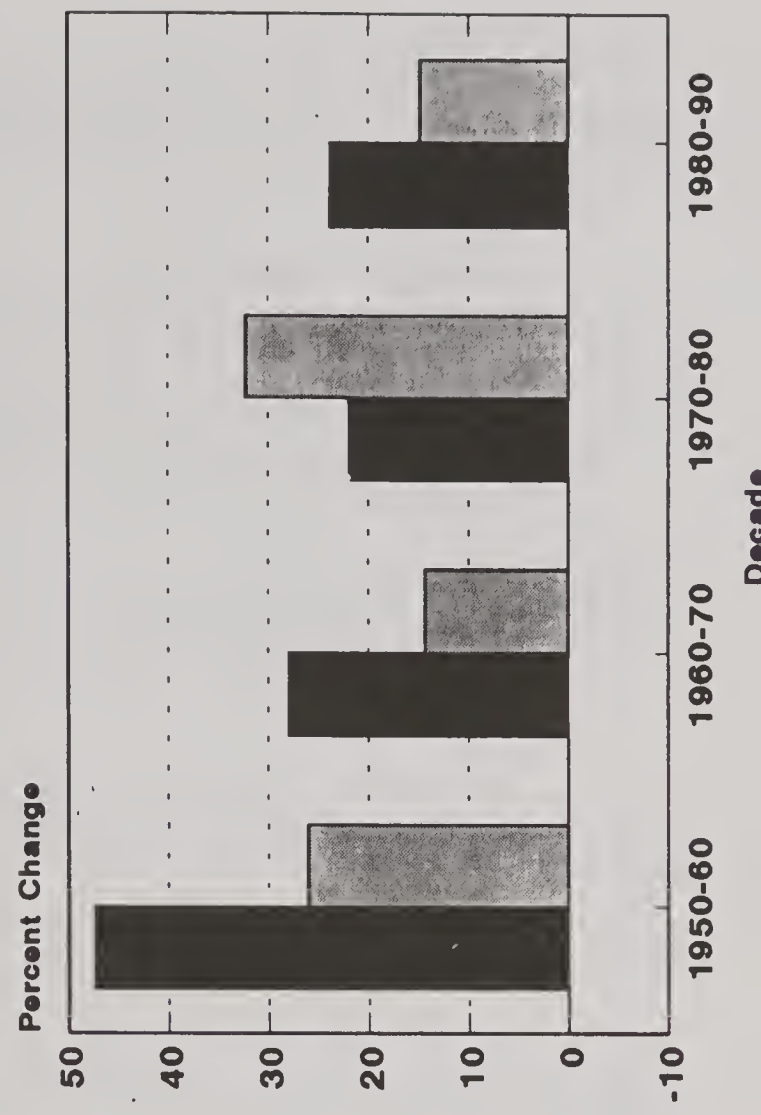
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WEST



Specific Reasons

Many specific reasons have been given for the turnaround:

- During the 1970's there was less movement out of agriculture than previously, as the industry was doing relatively well. Previous outmovement meant that the absolute numbers involved in the shift from agriculture had reached a low level.
- With the energy crisis early in the 1970's, there was an increase in mining employment. Manufacturing continued to deconcentrate into nonmetro areas, providing increased employment, particularly in low-wage industries.
- Large numbers of people moving to nonmetro communities gave quality-of-life reasons for their decision to move, based on favorable views about rural life and negative views of the big city.
- Recreation continued to increase in importance, and there was an appreciable amount of migration of retired persons to those nonmetro areas situated in attractive locations.
- There was also additional growth at the nonmetro peripheries of metropolitan areas during the decade.

Each of these rather concrete explanations tends to apply to specific areas, so that the widespread nature of the turnaround could be considered due to the convergence of several trends during the same period.

Similarly, several specific reasons have been given for the downturn in growth in the 1980's:

- With the farm crisis of the early 1980's, areas dependent on agriculture were particularly hard-hit economically, and this was reflected in absolute population declines.
- The energy boom of the 1970's was followed by sharp declines in most energy activities in nonmetro areas in the 1980's.
- Manufacturing, a basis for growth in the 1960's and 1970's, went into a decline nationally in the early 1980's, and this slump was felt particularly in nonmetro areas.
- Macroeconomic policies made for a strong dollar, which particularly placed the products of nonmetro areas at a competitive disadvantage.
- Counties with a high degree of commuting to metro areas, however, showed slower, but at least moderate, growth in the 1980's.
- Recreation and retirement counties continued to grow more rapidly than the metropolitan population as a whole, though at a slower pace than previously.

This brief summary suggests a set of period explanations for both the turnaround and its reversal, particularly as they relate to the ups and downs of the extractive and manufacturing industries. Though there was much emphasis on the noneconomic quality-of-life bases for the turnaround, the subsequent decade made it clear that economic considerations were fundamental, as nonmetro America suffered an economic slump throughout most of the period that corresponded to the downturn in population. The remaining growth was much more tied to adjacent counties,

however, as well as to recreation and retirement counties, which retain important ties to metropolitan areas through migration. No one ever contended that the turnaround necessarily represented less interdependence between metro and nonmetro areas, but the present pattern of growth, like the 1950's and 1960's, seems more closely linked geographically to large cities than did that of 1970-80.

Part of the new trend in the 1970's within nonmetro areas was a pattern of local deconcentration, with the population outside incorporated places generally growing faster than in such places, even at some distance from metropolitan areas. Evidently this aspect of deconcentration has continued in the 1980's. Table 1 shows that although all nonmetro growth was down in the most recent decade, the population outside incorporated places was growing almost twice as fast as the population in incorporated places. This pattern also was evident in nonadjacent counties, where population grew slightly outside cities and villages, but the population living in incorporated places declined overall. The recent widespread prevalence of slow growth and decline for cities and villages in rural America is bound to command considerable attention in the years to come.

Table 1--Place-nonplace nonmetropolitan population change, 1950-90¹

| | 1950-60 | 1960-70 | 1970-80 | 1980-90 |
|-----------------------|----------------|---------|---------|---------|
| | <i>Percent</i> | | | |
| Nonmetro total | 9.7 | 7.8 | 15.7 | 4.1 |
| Place | 18.6 | 9.7 | 9.6 | 0.5 |
| Nonplace | 2.7 | 6.0 | 21.5 | 7.3 |
| Adjacent to metro | 17.8 | 12.2 | 17.2 | 5.8 |
| Place | 22.6 | 11.8 | 9.5 | 1.7 |
| Nonplace | 13.7 | 12.5 | 24.2 | 9.1 |
| Not adjacent to metro | 4.7 | 3.7 | 13.8 | 1.5 |
| Place | 16.0 | 2.7 | 9.7 | -0.6 |
| Nonplace | -4.1 | 0.3 | 17.8 | 3.5 |

¹ Metropolitan designation of 1950 for 1950-60 change, 1963 for 1960-70 change, 1974 for 1970-80 change, and 1983 for 1980-90 change. Places are all nonmetro incorporated cities and villages included in the census at the beginning of each decade. Thus, the same places are followed across a given decade in calculating percentage change.

General Explanations

There are a number of more general approaches to explanations of the turnaround, if not also for the reversal. From a demographic perspective, a point occasionally made is that the turnaround was tied to a cohort effect, given that the 1970's was a time most babyboomers were in their prime migration ages. Support for this attractive proposition seems to be lacking, however; indeed, a higher proportion of persons in the young adult ages should have had an opposite effect on migration, since there was a net gain of young people for metro areas throughout the

turnaround. On the other hand, the 1970's was a time when perhaps the first large cohort of the elderly emerged who had the means to live where they chose, and many individuals in this group had previous ties to rural areas. Related to the cohort approach are speculations about the effects of compositional changes, as in household composition, the rise of two-earner families, and socioeconomic status on migration trends.

Perhaps the most common general explanation relates to overall processes of population deconcentration and convergence between metro and nonmetro areas. Although higher nonmetro growth during the turnaround was not limited to areas near metropolitan centers, it was argued that technological changes, particularly in transportation and communication, have further loosened the need for people and activities to be concentrated in large population nodes, and with declining socioeconomic differences between metro and nonmetro areas, shifts to nonmetro areas became more feasible and attractive. Related to this at the individual level, studies showed that large numbers of people moving to nonmetro communities gave quality-of-life reasons for choosing their destinations and also expressed negative views about big cities. (For example, see Long, 1981.)

Other approaches concentrated more on the economic downturn in metropolitan areas, and the shift of people and activities away from the core metropolitan region of the Northeast and East North Central States. This includes the political economy perspective that focused on capital, multinational economic activity, and governmental policy, as well as other economic approaches to industrial restructuring. These approaches gave attention both to the shift out of conventional manufacturing and to the continuing important role of many major metropolitan areas as economic and social "command and control" centers. In recent work, Frey (1987) combines these latter approaches to a "regional restructuring" perspective that he contrasts with the "deconcentration" perspective.

Successfully fitting these more general explanations to the trends of both decades appears problematic today. The deconcentration perspective, in particular, gave no hint of the 1980-90 reversal. Supporters of the deconcentration perspective could argue that the period effects of the 1980's, or perhaps of both decades, resulted in unexpected shifts, but that underlying this is a general trend toward deconcentration. Extractive industries have always had boom and bust cycles and the limited finding of higher nonplace growth in both decades does seem to indicate a sustained deconcentration tendency. Just as it was easy to assume that everything was in place to support a continuation of the turnaround at the beginning of the 1980's, however, it is difficult to see a basis for any widespread nonmetropolitan economic revival at this time that could underlie yet another reversal of nonmetro population trends. The shift of low-wage manufacturing to, and then away from, nonmetro areas appears to be part of the industrial restructuring that has been associated with recent regional shifts and nonmetro declines. Without denying the continued importance of quality-of-life and family considerations, the trends of the 1980's have underscored the underlying economic basis of population growth and decline that we tended to minimize in the turnaround era.

Some Items for a Research Agenda

It seems fair to say that all of the above perspectives and explanations could lead to worthwhile research activities in the 1990's. Perhaps more important, many of the specific explanations and regional differences point to a significant areal variation in trends that can be explored on a long-term basis when the 1990 data become available. This is also important for policy relevance, since nonmetro America is too heterogeneous to be encompassed adequately by unitary programs.

Below are a few ideas to consider, not ordered in any priority, with no pretense that the list is exhaustive.

Migration and Natural Increase in Population Redistribution

Although it is sometimes assumed that differentials in population change are primarily a function of migration, this is not always the case. We recently showed, for example (Fuguitt, Beale, and, Riebel, 1991), that the further convergence in metro-nonmetro fertility after 1980 was an important component in the increased difference in metro-nonmetro growth favoring metropolitan areas. Substantial metro-nonmetro differences in the timing of fertility was behind the apparent convergence of rates, and suggest it is risky to assume this convergence is permanent. What will be the consequence of the present baby boomlet on growth differentials? Present trends are bound to accelerate the aging of the nonmetro population, resulting in the increased prevalence of natural decrease across much of nonmetro America. The consequence of this for population growth, as well for community institutions, should receive further attention.

The Spatial Structure of Migration Streams

The 1990 migration data provide an important opportunity to understand more about the structure of metro-nonmetro and within-nonmetro migration streams. The availability of county-to-county migration stream data along with detailed social and economic variables provides a great opportunity to make 1975-80 and 1985-90 comparisons. The analytical complexity of these large files with their geographic detail creates a serious challenge, however, and it is perhaps not surprising that few moved to grasp this opportunity after the 1980 file appeared. Yet the limited work that has been done with county and regional classifications is intriguing. Wilson (1986), for example, showed that metro to nonmetro migration was mostly within census divisions in the more metropolitanized north, but that the north was a source of nonmetro in-migrants in the other divisions. To what extent can this be considered return migration, or a search for amenities? Using 1965-70 and 1975-80 State Economic Area stream data, Roseman (1983) showed the migration fields for metro to nonmetro movers were more diverse than those for nonmetro to metro movers. Swanson (1983) compared the characteristics of metro areas sending 1975-80 out-migrants to nonmetro areas. Have these patterns changed over the two decades that were so different? Are migration flows, for example, relatively constant, with changes in the number of in-and out-migrants, or did the new situation in the 1980's result in a changed pattern of flows that might help to explain what went on in the 1970's and the 1980's?

New Migration Differentials?

Following the turnaround there were a number of studies considering differential migration between metro and nonmetro areas, and its possible consequences for areas of origin and destination. Results were mixed, but in general, those moving from metro to nonmetro areas were older and somewhat lower in socioeconomic status than those moving elsewhere, but they typically were younger than, and had status above, the nonmetro residents they joined (Fuguitt, 1985). This information needs to be updated with 1990 data. Little could be done on this in the 1980's, because unfortunately, the 1980-85 CPS migration question could not be used, and in more recent Current Population Surveys, nonmetro was miscoded. Did the nonmetro economic downturn result in less selectivity of in- and out-movement? Or, is the pattern more invariant, and perhaps related to differences in level of development between metro and nonmetro areas (Wilson, 1988)?

There seems to be a widespread acceptance of the need for dealing with both in- and out-migrants, and recognition of potential problems with the analysis of rates of net migration. With

the turnaround reversal, attention should shift to out-migration in many areas, and why out-migration does not appear to be as responsive as in-migration to differentials in economic opportunity. There are analytical problems in the interpretation of aggregate rates, but out-migration is an important issue relating to rural policy, particularly as it relates to possible programs to encourage out-migration (Drabenstott, Henry, and Gibson, 1987). Also, we need to know more about migration "counter streams," that is, those who move into depressed areas. They are not all return migrants, and may represent a significant replacement of human resources (Voss and Fuguitt, 1991).

Alternatives to Migration

Understanding the lower-than-expected out-migration rates must include a consideration of alternatives to migration. For example, the increase in female labor force participation and in two-earner families is a potentially important substitute for migration. Most of the nonmetro job growth in the 1960's was absorbed by increases in the employment of female residents, whereas this was not true in the 1970's, when the pool of women who could make that transition was much smaller. Job growth was consequently more closely associated with population growth in the 1970's.

Commuting as an alternative to migration deserves special attention to help understand variations in both in- and out-migration rates. In 1980, most nonmetro cities were like metro central cities in having more jobs than people. Is the extension of this trend, at least in part, behind the slow growth and decline of many nonmetro cities in the succeeding decade? This would support the importance of ongoing local population deconcentration in nonmetro areas. Nonmetro commuting is not primarily to metropolitan centers, and indeed, to a degree, this is built into the definition of a metropolitan area. A series of three county-to-county commuting stream files for 1970, 1980, and 1990 should provide an important opportunity for trend work.

Migration From a Life-Course Perspective

A major thrust of migration research today is in the analysis of longitudinal data such as the Panel Study of Income Dynamics or the Survey of Income and Program Participation files. This provides a major shift in perspective from that provided by one-time surveys or the decennial census, and can lead to a more direct consideration of life cycle and family factors, repeat and return migration, and cohort effects. Although a detailed disaggregation of nonmetro areas is not possible with these data, information on characteristics of areas can be obtained and compared.

Economic versus Noneconomic Factors in Migration

During the turnaround era, a lot of attention was given to economic versus noneconomic (amenity) factors in migration decisions. At the macro level, county units were associated with economic and amenity variables, and at the micro level, individual reasons for migration were assessed. In a sense, this is a false dichotomy, since we can assume most decisions have to take both into account. For most people, economic considerations are necessary for migration, and few can ignore other considerations. But with the turnaround reversal, there is a need for further consideration of this issue, not as an either-or matter, but with greater concern for the interrelations between economic and noneconomic factors. At the county level, despite the general downturn in the 1980's, amenity areas continued to grow faster than metro areas as a whole and faster than most other nonmetro areas. But this is hardly sufficient reason to conclude that amenities are more important than economic considerations, particularly since economic factors are probably basic to the lack of migration gain in the other nonmetro areas. Except for the amenity counties, the overall redistribution pattern showed more urban-oriented growth,

which certainly suggests a resurgence of economic-related considerations in migration and/or a more urban-oriented distribution of economic opportunities in the 1980's.

Further tests of the interrelation between migration and employment growth in nonmetro areas, such as done with earlier data by Williams (1981) and Mead (1982), should make a contribution to this problem, particularly if comparisons between the two decades can be made. Similarly, the temporal association between employment and migration over the most recent decade, if appropriate data are available (as from the annual Internal Revenue Service Match files) could add to our understanding of nonmetro migration and short-term economic trends (see Greenwood, 1985).

Related to this is the migration of the elderly. This is presumably "noneconomic" in the sense that most elderly are not likely to be moving for employment reasons. Attention needs to be given to other economic considerations, however, such as the search for low-cost housing or a lower cost of living as motivating the elderly (as well as those of other ages) to move to nonmetro areas. Even in "retirement" counties, the elderly are a small part of the in-migration stream. To what extent are the others moving to capture economic opportunities in the service industries because the elderly are moving in? To be sure, retirement counties grew faster than other nonmetro counties, but why did their growth slow down from the 1970-80 levels, if it was based directly or indirectly on elderly (that is, "noneconomic") migration? Trends in elderly in- and out-migration streams might help to answer this question, but there also needs to be a consideration of other sources of job growth in these areas.

Migration Decisionmaking

Underlying these macro considerations is the actual decisionmaking process of individuals. Microdata, including the Public-Use Microdata Sample and the CPS files, make it possible to relate individual migration decisions with personal characteristics, though usually at the end of the migration interval. Although there are difficulties in asking people, particularly after the fact, about their migration decisions, this perspective is also necessary to gain understanding of decisionmaking. Previous research indicated the willingness of many to make a trade-off of income for amenities in deciding to move from metro to nonmetro areas. Can anything be said about trends in this tendency? Most migrants from metro to nonmetro areas have been married couples, yet we know nothing about the joint decisionmaking process that no doubt was behind these moves (Subcommittee on Migration Statistics, 1988).

Related to migration decisionmaking is concern about residential preferences. We have shown that preferences changed slightly since the 1970's in a direction consistent with the change in redistribution patterns (Fuguitt and Brown, 1990). This was due primarily to the fact that a higher proportion of persons living in large cities stated that they preferred to live there. The "two-stage" model of migration decisionmaking showed a lot of anti-urban sentiment as a basis for reasons for moving out of metro areas (Sofranko and Williams, 1980). Does the decline in anti-urban sentiment explain at least some of the decline in metro-to-nonmetro migration? There is no easy way to answer this, but given the great emphasis that was placed on residential preferences as a basis of the turnaround, I would argue for additional work, relating preferences to migration decision-making. Howell and Frese (1983) and Zuiches and Rieger (1978) showed the potential for longitudinal research by demonstrating the association between preferences or changes in preferences and actual migration. Studies of preferences and the migration decisions of individuals could benefit from more contributions by those trained in social psychology and having experience dealing with complex problems of question reliability and validity. Also, demographers and rural sociologists working in this area usually pay little attention to related

work, such as that in fertility expectations, or the parallel efforts by geographers on perception of the environment, and this information gap seems to be reciprocal.

The Consequences of Decline

The consequences--demographic and otherwise--of drastic, widespread decline need to be assessed. Some counties in the Midwest have been losing population for 40 years, and in the most recent decade, almost 9 out of 10 places are declining in some Midwestern States. What does this do for current vital and migration rates, as well as social and economic institutions? This is an old problem that is reemerging as a focus of attention, but it needs another look.

This, of course, does not begin to exhaust the list of possible research activities. For example, the metro-nonmetro migration patterns for race and ethnic groups and the importance of international migration also need to be considered. But modifying, adding to, and subtracting from these very preliminary ideas is the task of the Work Group.

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Internal Migration and Population Redistribution:

Report from the Work Groups

Curtis C. Roseman

Our discussions were guided by ideas provided by Glenn Fuguitt although, as in the case of some other working groups, our discussions went beyond these core ideas. We focused mainly on ideas for research. One way to summarize many of the wide range of ideas is to classify them according to the general scope of inquiry coupled with the type of data needed for empirical research. I will, accordingly, discuss three categories of ideas below, then conclude with some general observations.

Research on Areas Using Aggregate Areal Data

Many of the important ideas relate to areas or places, such as towns and counties, and research questions that can be addressed using aggregate data on population change, gross in- and out-migration, net migration, mortality and fertility, age structure, and other population characteristics. The recency of the 1990 Census presents immediate opportunities for up-to-date area-based research.

We now have the opportunity to gain new insights into the various theoretical perspectives on population redistribution discussed by Bill Frey and others. On the question of continuing decentralization, Glenn Fuguitt showed us some 1990 census data that suggest an important place/nonplace distinction in nonmetropolitan population change. Especially in nonadjacent counties, place populations generally declined, whereas nonplace populations generally increased. If correct, this represents a continuing trend, not a "turnaround" or a "reversal."

Discussion focused also on the relationships between migration and natural change as contributors to population change in areas such as counties or parts of counties. The suggestion was made that migration is becoming the more important force in population redistribution, making the study of migration especially important. Given that the overall size of the rural and nonmetropolitan populations are not increasing in most areas, attention perhaps also should be shifted to the changing composition of population. The diversity of rural and nonmetropolitan populations is perhaps increasing on a number of dimensions, including age, given age selectivity patterns of both in- and out-migration, and ethnic character, given new immigration patterns that have, indeed, impacted some nonmetropolitan areas. Attention also should be directed toward population persistence and nonmigrants, who dominate the population of many areas. Shifting attention to matters of composition and persistence will help in the provision of social services and quality of life in the absence of population growth.

Finally, similar to individuals and families, areas move through lifecourses. The lifecourse perspective will allow new insights on the long-term population changes occurring in various parts of nonmetropolitan America by focusing on trajectories through which various areas are going. This perspective will enhance our ability to speculate on future conditions, population and otherwise.

Analyses of Migration Flows

The opportunity soon will present itself to analyze the 1985-90 county-to-county migration matrix from the 1990 Census. Again, comparisons with migration data from previous censuses will be important, as will comparisons with other migration data, including the yearly IRS State-to-State matrix and some more specialized data sources, such as driver's license transfer information.

Our group discussed the possibilities of creating a center to house all of the major internal migration data files, and perhaps consolidate them into some sort of migration information system. Such a resource could be funded by the National Science Foundation or other agencies, and could support migration research of all types, including nonmetropolitan migration.

Several substantive ideas were discussed. We might examine the ways in which the overall structure of migration flows affecting nonmetropolitan areas are changing, and how such changes inform theories of population redistribution, including regional restructuring and deconcentration. Key migration subsystems that impact nonmetropolitan areas differentially, including regional, racial/ethnic, poverty, and elderly migration subsystems, should be analyzed. The relationships, both direct and indirect, between international and internal migration and between migration and commuting, require investigation. Finally, the trends and spatial patterns of special types of migration flows such as return, temporary, and cyclical migration may be having particularly important influences on the changing population of nonmetropolitan and rural areas.

Survey-Based Research

Our group also discussed a number of ideas whose empirical investigation will require survey, case-study, or other specialized data. Continued research on migration decisionmaking and other decisions that relate to rural and small town population change was discussed. Utilization of a household or individual lifecourse perspective seems particularly attractive. Among the more important aspects of this research will be the analysis of changing household composition, and its relationship to nonmetropolitan migration and population change, and the relationship between jobs and residence in nonmetropolitan environments. Similarly, the role of the substantial housing cost differential between rural and urban America is poorly understood in migration research.

One interesting discussion focused on the use of concepts that have been applied primarily in a Third World context in past research. One is the importance of cyclical migration and multiple residence. We know that the populations of some nonmetropolitan areas undulate with the seasons as a result of their having second homes or seasonal recreational activities. Is movement on a cyclical basis increasingly important to other nonmetropolitan areas? A related idea is the role of remittances. We know that transfer payments are important in many areas, but to what extent are the economies of nonmetropolitan areas dependent upon support from individuals who are employed elsewhere?

Overview

The causes and consequences of nonmetropolitan population redistribution are both new and old. In some ways, the nonmetropolitan environment is more like the 1950's and 1960's than the "renaissance" period of the 1970's. As such, issues related to population growth are less important than the changing composition of population and resultant impacts. As always, however, nonmetropolitan (and rural) America is a very diverse realm, and in the early 1990's, it may be more diverse than ever. Perhaps the overriding theme of population research therefore should be to discover and analyze the mosaic of diverse places and peoples that exist in that realm.

Demographic Change and the Human Capital Endowment of Rural America:

Issue Brief

Ruy A. Teixeira

This brief overviews key facts and issues pertaining to demographic change and human capital levels in rural America. No attempt is made to be comprehensive, as the document is intended to stimulate discussion on human capital-related issues, rather than settle them. I divide my overview into four sections: (1) basic facts on human capital levels in rural America and how these levels have been changing over time, (2) the relationship of demographic trends to human capital levels, (3) the relationship of human capital levels to the development prospects of rural areas, and (4) key research issues for the 1990's that emerge from the three sections.

What is the Human Capital Endowment of Rural America and How Has It Been Changing over Time?

Human capital levels are generally lower in rural (nonmetro) America than in urban (metro) America¹. Just how much lower depends on what indicator you look at.

Differences by median educational attainment level are not large. In 1980, the median education level (population ages 25 and over) in nonmetro areas was 12.3 years, compared with 12.6 in metro areas (McGranahan and others, 1986). Differences are somewhat larger when you look at average education levels. In 1980, the average nonmetro education level (population ages 18-64) was 12.2 years, compared with 12.8 years for metro (McGranahan and Ghelfi, 1991).

Differences seem largest when looking at categories of educational attainment. In 1980, only 59.5 percent of the nonmetro population (ages 25 and over) had completed high school, compared with 69.1 percent in metro areas. Similarly, just 11.5 percent had completed college in nonmetro areas, compared with 18 percent in metro areas (McGranahan and others, 1986).

Of course, educational attainment levels are just one way of measuring human capital levels--albeit, perhaps the best available way and certainly the easiest. But what do these educational attainment levels really represent in terms of skills acquired? By such a measure, rural human capital levels also appear to lag behind, though the extent of this gap is difficult to gauge. Data from the National Assessment of Educational Progress (NAEP) show "extreme rural" achievement levels in math and reading lagging the national average and far below levels in "advantaged metropolitan" areas (Snyder, 1987). However, the problematic nature of the geographical categories used in reporting NAEP results--the categories do not even begin to approximate the official definitions of urban/rural or metro/nonmetro--means we must be very cautious indeed in interpreting these figures.

In any event, current levels of rural human capital certainly represent dramatic changes from the past. In fact, by some measures, there has been an astounding convergence of human capital levels between metro and nonmetro areas. In 1960, median rural educational attainment (population ages 25 and over) was only 9.3 years compared with 11.1 in urban areas. The

¹ The terms "rural" and "nonmetro," as well as "urban" and "metro," are used interchangeably.

corresponding figures in 1970 were 11.2 and 12.2 and, in 1980, 12.3 and 12.6 (McGranahan and others, 1986).

But, again, the extent of convergence looks different when you look at different measures. This is most noticeable when looking at different categories of educational attainment (data below from McGranahan and others, 1986).

In 1960, about 34.5 percent of the rural population (ages 25 and over) had graduated from high school, compared with 43.7 percent in urban areas, a difference of about 9 percentage points. The corresponding figures for 1970 were 45 percent and 55 percent (a 10-point difference) and, for 1980, 59.5 percent and 69.1 percent (again, a 10-point difference). So the gap in high-school graduation rates has remained about the same.

The gap has even widened in terms of college graduation rates. In 1960, just 5.3 percent of the rural population had graduated from college, compared with 8.6 percent in urban areas (a 3-point gap). In 1970, the figures were 7.4 percent rural and 11.9 percent urban (up to a 5-point gap) and, in 1980, 11.5 percent rural and 18 percent urban (increasing the gap to almost 7 points).

Still, whatever the verdict on convergence, the fact remains that levels of human capital in rural America are much, much higher than they were several decades ago--as indeed they are all over the United States. That said, it is important to note that rates of growth in educational attainment levels slowed down in the 1980's and more so in nonmetro than in metro areas (data below from McGranahan and Ghelfi, 1991).

Average education levels of the labor force (ages 18-64) increased 5 percent nationally in the 1970's, but only 2.2 percent in the 1980's (through 1988).

And, for young adults (ages 25-34) in the labor force, average education levels actually dropped in the 1980's by 0.6 percent, compared with an increase of 6.4 percent in the 1970's. Moreover, in nonmetro areas this drop was sharper (1.3 percent) than in metro areas (0.5 percent).

This has contributed to relatively slower overall growth in average education levels (ages 18-64) in nonmetro areas in the 1980's (2.9 percent compared with 2.3 percent in metro areas). In turn, this has slightly widened the gap in average education levels between nonmetro and metro areas (to 0.7 year, up by 0.1 year).

Metro/nonmetro differences in growth rates during the 1980's seem largest when looking at educational categories. For example, college graduates (post-graduates excluded) increased by 58.6 percent in metro areas in the 1980's, but by only 22.6 percent in nonmetro areas. This widened the gap in college graduation rates to about 9 percentage points between urban and rural areas (up 2 points).

What is the Relationship of Demographic Trends to Human Capital Levels in Rural America?

As the large baby-boom cohorts moved into adulthood, bringing with them much higher levels of educational attainment than with previous cohorts, levels of human capital in rural areas rose dramatically. The results of these changes have been summarized above.

What other demographic changes are relevant here? First, of course, the baby boom has now grown up and the following, smaller cohorts are not acquiring as much education as their older counterparts. The net result is a slowdown in the rate of growth of education levels--although

average levels will continue to rise for the time being due to the relatively low education levels of those dying and/or leaving the labor force. This is a national trend, affecting both rural and urban areas.

But rural areas seem particularly disadvantaged by trends in the size and age structure of the population. First, nonmetro areas are experiencing substantially lower overall population growth. In the 1970's, rural population growth outpaced urban growth (13.5 per thousand per year versus 10.1). In the 1980-85 period, the situation turned around: urban areas grew faster (11.5 versus 7.4 for rural areas) (Brown, 1989).

But the slowdown in nonmetro population growth may have bottomed out in 1986, at 0.15 percent per year. By 1988, nonmetro population growth rates had edged back up to 0.48 percent per year. Still, these rates are far below those in metro areas, where rates of increase are now shored up by higher birth rates and lower death rates than in nonmetro areas (Beale and Fuguitt, 1990). Second, the age structure of nonmetro areas tends to be weighted away from adults in the 20-44 age group. This is a disadvantage since this is the prime working age group and therefore critical to labor force productivity.

In 1980, 45.6 percent of the labor force (ages 16 and over) in rural areas were aged 20-44, compared with 51.9 percent in urban areas. In addition, 17.6 percent of the rural labor force was 65 or older, compared with 14.2 percent in urban areas (Swanson and Butler, 1988).

But, most clearly salient to human capital levels, and not unrelated to the trends described above, are migration patterns. As is well known, rural areas experienced fairly large net population gains from migration in the 1970's (Fuguitt, Brown, and Beale, 1989). Not only that, data from the 1975-78 period suggest these net gains enhanced human capital levels, since net migration was highest among those with some college and lowest among high-school dropouts (McGranahan and Ghelfi, 1991). But this situation reversed itself in the 1980's.

Starting in 1982, rural areas began experiencing net migration losses, reaching the level of 632,000 in the 1985-86 period (Brown, 1989). Net migration rates in 1985-86 were highest among young adults, with the highest rates among those aged 20-24 (5.54 percent) (Swanson and Butler, 1988). There was improvement later in the decade, however, so that net losses for the 1980-88 period were only 22,000 people (Beale and Fuguitt, 1990).

More important than the relatively trivial net population loss was the educational levels of those who left for metro areas. In contrast to the late 1970's, migration of the late 1980's was draining the "best and the brightest" out of rural areas (data below from McGranahan and Ghelfi, 1991).

In the 1986-89 period, the loss of the college-educated population in nonmetro areas averaged 2 percent per year. This compares with a loss of 0.9 percent per year for those with some college, a loss of 0.3 percent per year for high-school graduates, and a net gain of 0.2 percent per year for high-school dropouts.

It is difficult to assess the impact of this "brain drain" on rural areas. However, if these education-specific migration rates obtained in just 5 of the 8 years between 1980 and 1988, this would be enough, in and of itself, to account for slower growth in average education levels in rural areas.

Why have the highly educated been leaving rural areas? The answer here is probably quite simple: they get paid more in metro areas. Earnings models show the following (data below from McGranahan and Ghelfi, 1991). In 1979, men aged 25-34 earned about 10 percent more in metro than in nonmetro areas, regardless of educational level. By 1987, this gap had grown to almost 20

percent for high-school graduates and over 30 percent for those with education beyond college. Earnings for highly educated workers actually fell in rural areas during the 1980's (although they fell further for less educated workers). But, in urban areas, earnings of the highly-educated made positive gains during this period.

How Important Are Human Capital Levels to Rural Areas?

Human capital levels are obviously of some importance to rural America. But how much importance? This is not clear, despite the claims of some who see higher rural educational levels as a panacea for rural problems.

In fact, there are a number of grounds for questioning the efficacy of more education as a strategy for rural development. To begin with, rural areas, as outlined in the beginning of this paper, have upgraded human capital levels dramatically from their very low levels of 30 years ago (when the median rural resident had only a ninth-grade education). But the 1980's have seen a troubling divergence of economic outcomes between metro and nonmetro areas, despite this enriched stock of rural human capital. This divergence includes slower employment growth, higher unemployment, relative and absolute earnings deterioration, higher levels of underemployment, relative decline in nonmetro per capita income, and higher poverty rates (Lichter, 1991).

Can all this really be due to the fact that, despite dramatic growth in absolute terms, rural educational levels still lag urban levels? This seems implausible, given other indicators like the relative decline in nonmetro returns to education and the out-migration of a substantial percentage of the better educated nonmetro population to metro areas. Such indicators speak to a relative lack of demand for highly educated workers in rural areas in the 1980's.

In fact, skill demand was quite weak in rural areas in the 1980's, both relative to urban areas and relative to nonmetro trends in the 1970's. This was true no matter what measure of job skill requirements was used (that is, educational levels of job incumbents or job skill ratings taken from the Dictionary of Occupational Titles (DOT)) (data below from Teixeira and Mishel, 1991, based on a shift-share analysis of occupational change, 1970-2000).

In the 1970's, the decade of the "rural turnaround," rural growth rates in skill requirements of jobs were very close to those in urban areas. In fact, in some cases the skill growth rates in rural areas were even a little bit higher. For example, verbal aptitude and general educational development (GED)--both are DOT measures--grew at 10-year rates of, respectively, 2.82 percent and 2.20 percent in rural areas, compared with 1.69 and 1.94 percent in urban areas.

In the 1980's, rural areas experienced a tremendous slowdown in skill level growth--rates only about one-third of those in the previous decade--in contrast to urban areas, where skill growth slowed down only slightly. For example, growth in handling data skills (DOT measure) in rural areas fell from a 10-year rate of 4.69 percent in the 1970's to 0.62 percent in the 1980's, verbal aptitude growth from 2.82 percent to 0.40 percent and GED growth from 2.20 percent to just 0.20 percent. For these same indicators, the skill growth rates in urban areas declined only slightly between the two decades: from 3.50 percent to 3.16 percent, from 1.69 to 1.49 percent, and from 1.94 to 1.51 percent, respectively.

Nor do the optimistic scenarios of a skills explosion in the economy, due to rapid movement into a high-skill economy in the 1990's, presage high-skill demand in rural areas (Johnston and Packer,

1987). Even under an optimistic assumption of equal occupational growth rates across rural and urban areas, rural areas are projected to continue their poor performance of the 1980's.

In the 1990's, verbal aptitude is projected to rise at a 10-year rate of only 0.90 percent in rural areas and GED at a rate of just 0.87 percent. Other skill measures show similar patterns under this optimistic scenario: growth in skill demand will be somewhat higher than in the extremely low-growth 1980's, but will still lag far behind historical growth rates from the 1970's (or even urban growth rates from the 1980's) (Teixeira and Mishel, 1991).

Further food for thought is provided by estimates of the relationship between educational levels and local economic growth in rural areas. The relationship is, to say the least, ambiguous. Killian and Parker (1991) were not able to find a significant effect of local educational levels on employment growth in rural areas in either the 1970's or 1980's.

Other estimations do sometimes find significant effects of local educational levels on earnings growth and even, in some instances, on employment growth. But the reasons why educational levels are so inconsistent in their local economic effects remain mysterious.

Key Research Issues for the 1990's

Several gaps in our current knowledge of demographic change, human capital, and rural America emerge from this review. I would highlight the following:

- How does the content of rural education--that is, the level of cognitive skills actually acquired--differ from that in urban areas? At the moment, our knowledge of this issue is very sketchy indeed.
- We could afford to know more about the actual causal mechanisms underlying the out-migration of the highly educated to metro areas (or the lack of in-migration of the highly educated to nonmetro areas). We can make some general inferences, but more detailed understanding is necessary if we hope to address the problem in the 1990's (and it is unarguably a critical problem).
- How do local educational levels--that is, the quality level of available workers--really affect economic growth in rural areas? Right now, our understanding of this is murky, at best. Given the faith many have in education as a veritable "growth machine" for rural areas, this is a surprising--and embarrassing--gap in our knowledge.
- Most critically, what are the roots of weak demand in rural areas? If, in fact, rural areas are not primarily hobbled by their relative lack of human capital, and I tend to believe this is so, what are they hobbled by? Where do the deficits truly lie? What really keeps the high-growth sectors of the economy away from rural areas? Lack of infrastructure? Lack of critical mass? "Rurality?" If we cannot answer these questions--and then address them in a policy sense--the prospects for rural areas look dim.

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Demographic Change and the Human Capital Endowment of Rural America:

Report from the Work Groups

Christine K. Ranney

The issues raised by Ruy Teixeira provided a common starting point for the discussions of the three work groups. Those issues included: (1) What is the content of rural education? How does it differ from urban education? Answers to these questions are particularly important so schools can be enlisted in the development process. (2) Do we really understand what the motivation for migration is? We know that human capital levels in nonmetropolitan areas reflect, in part, the fact that the most well-trained people and those with the highest human capital levels leave. Is the growing wage differentials between nonmetropolitan and metropolitan areas driving migration? (3) What is the relationship between education levels and development? If we were to use human capital investment as a rural development strategy, what would be the payoff? (4) What are the sources of weak demand for labor in rural areas? If it is not human capital, we need to find out what it is and focus our efforts there.

With these issues as a common foundation, the work group discussions proceeded along very different paths. While the paths we took addressed most of Dr. Teixeira's points' they also diverged, reflecting the various academic disciplines, skills, and experiences represented by the members of each group. Three major points emerged in the discussions. The first two address the linkages between education, human capital, and rural development directly, albeit from different perspectives. One perspective focuses on the reasons for the growing mismatch between the supply and demand for rural labor. The other explores the lessons to be learned from the extensive body of research on international development and the applicability of those lessons to rural development issues in the United States. Finally, our current methods of financing public education were called into question. Each point is summarized, in turn.

One work group quickly reached a consensus that the supply of job-specific human capital is not the problem for rural areas. Therefore, investment in education may not yield a payoff in local economic growth. In essence, the problem is with the jobs, not the people. There has been a decline in the job skills required of rural residents and an associated decline in nonmetropolitan wages relative to metropolitan wages. The statistics reported in Dr. Teixeira's issue brief highlight the trends. While skill demand slowed only slightly in urban areas in the 1980's, it declined by one-third in rural areas in the same period and the prognosis is not good for the 1990's. Earnings for highly educated rural workers fell during the 1980's while those for similarly educated urban workers increased. Furthermore, the prognosis for both job skill demand and earnings in rural areas is not good. In an attempt to understand why these trends are occurring, we raised two related questions. First, why are business services, forecasted to grow substantially, not moving to rural areas? Is it because a place must be large enough, larger than most rural labor markets, to have the proper mix of characteristics to be attractive locations for such firms? Second, what size place is going to be attractive to families that have multiple workers and have job markets that allow two different career paths to flourish? We do not know the answers to these questions. We clearly need to tighten the focus of our scholarship on understanding how industrial location decisions and job creation decisions are reached and how those decisions change as our economy evolves and responds to global competition.

Another work group tackled the question of just how important human capital is to economic growth. We probed the long history of research on international development for guidance in understanding rural development in the United States. Human capital investment, including investments in health, nutrition, and education, is one of the four factors necessary for economic growth to occur. The other three are investment in new technology, investment in new institutions to define and protect the "rules of the game" to ensure growth, and sufficient investments to maintain the stock of conventional biological and physical capital. All four factors must be in place in some combination. Institutional failure is viewed as commonly limiting development. If one looks at the complexity of jurisdictions that apply in any given geographic point on the map of the United States, growth may be confounded rather than promoted by this structure. That is, our complex institutional structure may be the problem, not the solution. Early on we had a major investment in rural public health and infrastructure in the United States. It may be the case, however, that we need to revisit the question of additional investment in these areas as well as funding for education.

Education funding was addressed directly by the final work group. This group identified the serious divergence between the way education is financed in this country and the way labor markets are evolving. Labor is much more mobile and all markets are much more globalized. At the very least, there is a national market and need for educated citizens, yet, education is primarily financed locally. That there is resistance to increasing educational financing in rural areas is not surprising if the best and brightest leave. Because people do move, funding must be available for rural education even if there is no link between education levels, human capital, and local economic growth. A strong case can be made based on economic opportunity, leveling the playing field, and increasing the overall human capital and productivity of United States citizens wherever they may live now, or in the future. In economic terminology, the immense spillover effects of locally funded education argue strongly for those who receive some of the benefits, in this case the Nation as a whole, to pay part of the cost. If spillover effects are ignored, education will be underfunded. Perhaps primary, secondary, and community college education should be predominantly funded at the Federal level first, then at the State level, and supplemented by local funding rather than in reverse order.

A clear policy-relevant research agenda for the 1990's emerged from the wide-ranging discussions within the three work groups. We need a better understanding of how industrial location decisions are made, how those decisions affect the mix of labor skills demanded, and how rural areas are affected, in turn. We also need a better understanding of how current institutional structures impede or promote economic growth in rural areas and how those structures might be changed to do a better job in the future. Finally, we need to reconsider how we finance human capital investments in this country, certainly for investing in the education and health of all our citizens.

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Demographic and Socioeconomic Changes in Rural Children and Youth:

Issue Brief

Carolyn C. Rogers

The American family has changed significantly in the past two to three decades, with an increase in out-of-wedlock childbearing, family disruption, and mother-only families. The number of children and youth has fluctuated markedly during the past three decades, reflecting the high fertility of the postwar baby boom, the subsequent low fertility of the 1970's, and the increased fertility of the late 1980's. Today's children have fewer siblings, more often live in a single-parent family, frequently have a working mother, and spend more time in child care outside the home or as "latch key kids." While the family is still the central institution in children's lives, the new realities of family life present an uncertain future for children and youth. Changes in American families raise concern about the effects of family circumstances on the economic, social, and psychological well-being and academic development of children today.

Considerable progress has been made over the past three decades in improving child health, minority educational achievement, and the economic situation of families with children. Antidiscrimination laws, equal opportunity programs, immunization drives, health and safety regulations, Medicaid, food stamps and child nutrition programs, compensatory education, and other Federal and State programs have played a role in these advances. Positive developments in the family circumstances of children include a trend toward later marriages and delayed childbearing, smaller family size, and higher levels of parental education, with better educated parents more able, on average, to provide an adequate family income. Nonetheless, a significant minority of children are being reared in less than optimal economic environments, particularly those among the working poor and in mother-only families. The challenge to policymakers is to find ways to help these children at risk.

The well-being of children and youth in both metro and nonmetro America is a multifaceted phenomenon. This paper examines recent trends affecting children's well-being, including indicators of physical health, academic achievement, and socioeconomic status. From an appraisal of current knowledge of children and youth, the aims are to: (1) identify information gaps and unresolved substantive and/or methodological issues, and (2) propose the highest priority issues for research during the 1990's. Three major areas of research on children and youth are as follows: (1) family living arrangements, (2) maternal employment and child care, and (3) social and economic well-being. These topics for research should aid in determining the key research issues for the 1990's.

Family Living Arrangements

In 1988, 73 percent of children under age 18 (46 million children) were living in two-parent families, compared with 88 percent in 1960. More than 13 million children in 1988 were living with their mothers only; 24 percent of metro children and 20 percent of nonmetro children were living in mother-only families. Children in mother-only families often face multiple burdens, such as lower average income and higher parental unemployment. Furthermore, many of these

children lack contact with or support from their absent fathers and must rely on government assistance.

Child-Based Research

Previous research has focused primarily on families with children, not children themselves. Child-based studies are needed in order to assess the effects of changing family structure--specifically, the increase in mother-only families--on the well-being of children. With children as the unit of analysis, the characteristics of the child's family and residence can be viewed as influential factors in the relationship between family structure and outcomes for children. This approach is advantageous in that children can be grouped by age, race, residence, parental characteristics, or any other variable to determine the impact of variation in family characteristics on children--this cannot be done when the family is the unit of analysis.

Mother-Only Families

Based on current trends, 50 to perhaps 60 percent of children born today are projected to spend some part of their childhood in single-parent families. Black children are more likely to spend some part of their childhood in a mother-only family than are white children; in 1988, 51 percent of black children lived with their mother only, compared with 16 percent of white children. What are the determinants of racial differences in family structure and do these differ by residence? Research is needed to investigate the association between living in a mother-only family and consequences for the well-being of children in terms of academic achievement, social and emotional development, and economic welfare. What are the implications of the labor force participation of women and local employment conditions on family structure and the well-being of families and children? What are the implications of changing family structure on nonmetro employment, child-welfare services, and the enforcement of child-support agreements?

Convergence

Changes in rural or nonmetro family life since the 1970's have paralleled changes in urban or metro families, with higher divorce rates, lower fertility rates, smaller families, fewer children living with both parents, and more women working outside the home. Today, the family circumstances of nonmetro children, with few exceptions, are remarkably similar to those of metro children in regard to family size, age and number of siblings, family living arrangements, and types of child-care arrangements. Has convergence occurred? What factors explain the apparent convergence in family living arrangements by residence--social, cultural, or economic factors? What are the determinants of changing family structure and do these differ by residence? Are there regional differences, by metro-nonmetro residence? Should more detailed residential categories be substituted for a simple dichotomous residential variable to study children and their family circumstances?

Maternal Employment and Child Care

Another profound change in children's lives is the increased probability of having a mother who works for pay outside the home. As of 1988, 62 percent of all children under age 18 had mothers who were in the labor force, compared with 39 percent in 1970 (U.S. Dept. of Labor, 1985). As maternal employment has risen, the need for substitute care for the children of working mothers has increased. The location of the care of young children has increasingly moved outside of the child's home, often into group situations, although family members continue to play a major role in the provision of care.

In 1987, the most common child-care setting for children under 5 years with employed mothers was in another person's home (36 percent), compared with 30 percent cared for in their own home and 24 percent in child care centers or nursery or preschool programs during all or most of the time their mothers were at work (U.S. Dept. of Commerce, 1990a). School serves as a primary child-care arrangement for about three-quarters of children 5 to 14 years old; for a sizeable group of these children, before or after school care is needed to cover all the hours their parents are at work. In 1987, 22 percent of school-age children required a secondary care arrangement in addition to school; about 2.1 million children were latch key kids--children who cared for themselves while their parents were at work (U.S. Dept. of Commerce, 1987 and 1990a).

The primary type of child-care setting for nonmetro children under age 6 closely approximates that of metro children. About 29 percent of children are cared for in their own home by either a relative or a nonrelative. However, child-care arrangements outside the child's home do differ somewhat between metro and nonmetro areas. A slightly larger proportion of nonmetro children are cared for by a nonrelative in another home (24 percent) than is the case for metro children (20 percent). Conversely, a smaller proportion of nonmetro children (25 percent) are cared for in a group setting (nursery school, preschool, daycare center) than is the case for metro children (33 percent). Lower population density in nonmetro areas may make group care services less economically feasible; hence, more group child-care facilities are located in metro areas.

Child-Care Demand

The increased labor force participation of mothers with young children is a relatively new phenomenon, and the infrastructure to support a child-care industry for preschool children is only now beginning to emerge. As mothers with young children are expected to retain and even increase their labor force participation, the demand and need for quality child care by working parents or single mothers are also anticipated to increase. Lower population density in nonmetro areas may make group child-care facilities less economically feasible there. What are the implications for nonmetro areas of the increased demand for child-care for both preschool and school-age children? How do child-care arrangements and payments differ by residence? What effect does the different nonmetro occupational structure have on the type of child care used? What is the effect of child-care expenses and availability of affordable care on types of child-care services used?

Child-Care Expenses

Child care is expensive--a major household budget item. Lack of affordable child care is probably preventing many poorly educated and low-income mothers from working at all. Without adequate or affordable child care, nonmetro mothers cannot take advantage of training programs and employment opportunities in rural development programs. Research is needed to investigate the relationship between female employment, child care, and poverty status in nonmetro areas. What is the effect of the lack of affordable child care on the labor force participation of women, especially poorly educated and low-income mothers? How and why do maternal employment and child-care arrangements differ by metro and nonmetro residence? What differences in child-care arrangements are found for mother-only families, compared with married-couple families or dual-earner families?

Responsible employer/personnel policies and government policies are needed to address the issues of providing child care and determining parental leave regulations. Are policies such as parental leave and on-site child care feasible in lower density nonmetro-rural areas? Local area policymakers ultimately will need to address the problem of finding adequate and affordable child

care as well as providing opportunities for training and employment of the mothers of young children. What steps have been taken to date? What is the nature of the nonmetro community response to the provision of child-care services?

Social and Economic Well-Being of Children

The overall physical health of U.S. children is better today than in 1960, although the rate of improvement for some health indicators has declined in recent years. Many communicable diseases once common to childhood, such as diphtheria, polio, and measles, have been eradicated or greatly reduced in frequency (National Center for Health Statistics, annual data; and U.S. Department of Commerce, 1990b). The infant mortality rate and death rates for preschool and school-age children have declined substantially since the early 1960's, attesting to real improvements in the physical health of young people.

Prenatal Care

For one out of every 20 babies born in the United States, the mother has not obtained prenatal care or has obtained care late in the pregnancy. Young teenagers, school dropouts, unmarried women, and black women are at greater risk of not obtaining timely prenatal care. Early prenatal care is one way for the expectant mother to help ensure a healthy infant. Are there residential differences in use and access to prenatal care? How does metro-nonmetro residence affect the provision of such care? Maternal and child health programs need to target their services to reach those most at risk. Research on the relationship between use of prenatal care, metro-nonmetro residence, and the availability of services would be instructive.

Teenage Childbearing

Teenage sexual activity outside of marriage has increased since the 1960's, and occurs at younger ages. Because many teens do not use contraceptives when they initiate sexual activity, a large number of adolescent pregnancies have resulted. Among female teenagers aged 15 to 19 years old in the mid-1980's who had ever had sex, nearly 1 in 4 became pregnant each year (Hofferth, 1987). Births to unmarried teens more than doubled between 1970 and 1988, from 30 percent of births to teen mothers in 1970 to 66 percent by 1988. An earlier study shows that increases in births to unwed teens are due to both a marked reduction in births to married teens and a decreased tendency to legitimize nonmarital pregnancies through marriage (O'Connell and Rogers, 1984). Since many teen mothers are not marrying, they are at a greater risk of having to rely on welfare to support their child. How and why does teenage childbearing differ, if at all, by metro-nonmetro residence--both within marriage and outside of marriage? Later marriages are more likely to endure than those that occur in the teenage years or early twenties. Do metro-nonmetro differences exist in the timing of marriage and childbearing?

Youth Education

Today, students are staying in school longer and earning both high school diplomas and college degrees. Two divergent trends in academic achievement have emerged: (1) the academic achievement of today's best students appears to be significantly lower than that of the best students of the early 1960's, and (2) the achievement of minority students and those from lower socioeconomic backgrounds has improved since the early 1960's.

Although the dropout rate has been reduced substantially in recent years, disproportionate numbers of high-school dropouts are still found in families with low socioeconomic status and

non-Asian minority backgrounds. What is the relationship between the educational attainment of youth and metro-nonmetro residence, and how does this affect the outmigration of young adults from nonmetro areas? The Job Training Partnership Act (JTPA) provides training and employment services for youth--is this program benefiting nonmetro youth? What education or training programs can be implemented in nonmetro areas to better prepare children and youth and retain them for the nonmetro labor market? What programs can be implemented for the education and job training needs of noncollege-bound youth aged 16-24 to ease employment problems of this age group? What is the demand for adult education programs in nonmetro areas and how is it presently being met? Is there a need for bilingual, immigrant, or refugee education in nonmetro areas? If so, how can such needs best be met?

Child Poverty

Children have consistently had a higher probability of being poor than adults, as seen in official poverty statistics available back to 1959. As of 1988, 12.6 million children (20 percent) lived below the poverty level, one-quarter more than the number of children in poverty throughout the 1970's. In 1987, a higher proportion of nonmetro children were in families below the poverty line (24 percent) than were metro children (20 percent) (Rogers, 1991). Higher poverty among nonmetro children represents a continuation of historical trends and reflects an overall nonmetro economic disadvantage, seen in lower average incomes and higher unemployment in nonmetro areas.

Children in mother-only families have an almost one in two chance of being poor, compared with a less than one in 10 chance for children living with two parents. In 1988, about 3.3 million mother-only families with children--or 45 percent--were in poverty. The growing number of two-parent families in poverty also contributed to the higher poverty among children during the 1980's, due largely to the stagnation in real wages. Most of these working poor do not qualify for any public assistance except food stamps, and many are not covered by health insurance.

The character of poverty is affected by the availability of Aid to Families with Dependent Children (AFDC) and noncash benefit programs, such as food stamps, subsidized housing, and Medicaid. Of approximately 11 million AFDC recipients in fiscal year 1988, 67 percent were children, representing 11 percent of the total child population and 65 percent of poor children (U.S. House of Representatives, 1989). Public assistance benefits did not keep up with inflation during the 1980's, and the average value of cash benefits from State welfare programs for poor families with children declined.

Family Support Act of 1988

Several provisions of the Family Support Act (FSA) of 1988 may help ameliorate some of the adverse economic conditions facing a number of children. The Family Support Act restructures the AFDC program, emphasizes education and job training, extends income assistance to intact families in all States with an unemployed breadwinner who meets certain work-related requirements, and provides guarantees for child care and stricter enforcement of child support orders. Mother-only families (currently served by AFDC) are expected to be the main beneficiaries of the Act's welfare reforms. Research is needed to study the relationship between economic welfare and family type. What is the relationship between changes in employment and economic conditions in nonmetro communities and increased marital disruption and single-parent families?

The Family Support Act may especially benefit the nonmetro poor, since many States in which the nonmetro poor are concentrated have not previously offered AFDC benefits to unemployed

parents. How will the Family Support Act affect families in need and what is the effect of the FSA on the economic well-being of mother-only families and the working poor? The effects of the Family Support Act can best be determined by studying changes over time. Longitudinal studies are needed to determine the effects of the FSA on the well-being of children and families with children, especially the nonmetro poor.

Racial Differences in Poverty and Health

Racial differences in childhood poverty are substantial; black children and Hispanic children are more likely to be poor. Socioeconomic and ethnic disparities are also found in a number of child health indicators--mortality rates, health ratings, and some measures of illness and injury--and in children's use of physician and dental services. Black and Hispanic children, especially poor children or those in central cities or rural areas, are less healthy, on average, than nonminority children (Zill and Rogers, 1988). Children from poor and minority families receive less frequent care than those from middle-class, nonminority families (Guyer and Gallagher, 1985)--even though children from poor families are more likely to need medical or dental care. How does childhood health status differ by poverty status, residence, and region? What aspects of the nonmetro community and local employment conditions affect the health status and provision of care to children? What factors contribute to higher poverty among minorities and does this differ by metro-nonmetro residence?

Health Insurance

Only about two-thirds of children from families below the poverty line are covered by some form of health insurance, compared with nearly 90 percent of children in families with incomes at least twice the poverty level (National Center for Health Statistics, 1987). In addition, more than 85 percent of children in two-parent families are covered by health insurance, compared with less than 70 percent in mother-only families (Zill and Rogers, 1988). Does health insurance coverage differ by metro-nonmetro residence, and if so, what factors contribute to the difference? What programs or policies can be introduced or modified to reach children without health insurance coverage, and at what level--State or local?

Summary and Conclusions

Key areas of research on children and youth for the 1990's revolve around: (1) changes in family living arrangements and the increase in mother-only families, (2) increased maternal employment and a greater demand for child care, and (3) the social and economic well-being of children and youth. National trends affecting children and families are also important in nonmetro areas. There is evidence of some convergence in metro-nonmetro family life, although further research is needed to determine the underlying factors affecting changing structure and the implications for children and youth. Child-based studies are also needed to assess the impact of family life conditions on children's social and economic well-being.

Increased employment of mothers with young children has resulted in a greater demand for child care. Research is needed to examine residential differences in both child-care demand and the availability of affordable child-care services. The social and economic well-being of children and youth encompass a rather broad area of research. The highest priority areas of study include prenatal care, teenage childbearing, high-school completion, child poverty, and health insurance coverage. Studies of poverty differentials by race, family structure, and residence would be especially enlightening. The impact of the Family Support Act of 1988 could best be approached through longitudinal studies.

Children represent the future, and investments in their health, nutrition, and education will help ensure a brighter future. Families and governments share the responsibility for ensuring the well-being of children by investing in education and providing a safe and wholesome environment for the next generation.

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246

Demographic and Sociological Changes in Elderly Rural Americans:

Issue Brief

Nina Glasgow¹

The elderly are the most rapidly growing age group in the United States. Between 1970 and 1990, the population aged 65 and over grew by 57 percent (11.5 million), over twice the rate of growth of the entire population (22 percent).² Although the elderly comprise only 12.6 percent of the population, they accounted for one-quarter of population growth during the last two decades (Spencer, 1989).³ By the time the post-World War II baby boom generation reaches retirement age in 2030, the number of elderly is expected to increase by 108 percent, or from 12.6 percent to 21.8 percent of the population. Between 1970 and 1990, the female elderly population grew more rapidly than the male, and growth rates were especially high for the population 85 years of age and older (128 percent). The oldest of the old increased from 7.1 percent of the aged population in 1970 to 10.3 percent in 1990, and the median age of elderly persons rose from 72.6 years to 73.3 years. As a result of these trends, aging issues for the 1990's are increasingly gender issues and issues that concern the oldest of the old.

These national demographic trends characterize populations at all levels of the urban hierarchy. The impacts of low fertility during the Depression era, the post-World War II baby boom, and the current prolonged period of low fertility are clearly etched in the population structures of metropolitan and nonmetropolitan and urban and rural areas alike. Internal and international migration have also had a profound influence on age structure, but migration has affected metropolitan and nonmetropolitan populations differently (Fuguitt, Brown, and Beale, 1989). Migration from abroad has had most of its 20th century effect on metropolitan areas, whereas internal migration has shifted millions of young adults from nonmetropolitan to metropolitan areas. Elderly migration, in contrast, has been toward nonmetropolitan areas since at least the 1960's (Glasgow, 1988), and is an increasingly important factor in the aging of the nonmetropolitan population (Lichter and others, 1981). The implications of a large and growing elderly population are many and varied. The age composition of a community's population imposes requirements and limitations, and provides opportunities, for each of its institutions.

This is true in both urban and rural areas, but adaptation to population aging is especially difficult in rural areas because of their small size, relative geographic isolation, sparse settlement, and lack of public sector capacity.

Public decisions--local, State, and Federal--will benefit accordingly from enhanced information on both the determinants and consequences of population aging. A program of rural-aging related research and policy analysis might be organized into three areas of study: (1) determinants of

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² Data for 1990 are the Census Bureau's middle projection.

³ Names in parentheses refer to sources listed in the References at the end of the chapter.

rural population aging, (2) social and economic well-being of the rural elderly, and (3) rural community adaptation to an aging population.

Determinants of Rural Population Aging

As Siegel and Taeuber (1986) have pointed out, population aging, a characteristic of population groups, must be distinguished from individual aging. Population aging is influenced by changes in mortality, migration, and fertility, while individual aging is exclusively determined by changes in age-specific death rates, or, expressed differently, by changes in life expectancy. Lichter and his colleagues (1981) have shown that natural increase in the number of persons age 65 and over (residents attaining age 65 in places where they live, minus deaths) is the dominant component of aging in nonmetropolitan areas between 1950 and 1975, but they also demonstrated that net migration of those 65 and over has become an increasingly important component of nonmetropolitan population aging. Natural increase of the less than 65 age group (births minus both deaths and transition to the elderly age group) slowed population aging by adding to the denominator of the proportion 65(+), but the effect of this component decreased over time, reflecting persistent low fertility. Net out-migration of persons less than age 65 increased nonmetropolitan aging during the 1950's and 1960's, but the general migration turnaround during the early 1970's reversed this component's impact on aging during 1970-75. More up-to-date age specific migration data will doubtless show that net out-migration of persons under age 65 has resumed its positive contribution to aging the nonmetropolitan population. Some important issues for research on the determinants of nonmetropolitan aging during the 1990's include:

- Previous research on components of numerical and relative change in the nonmetropolitan elderly should be updated and extended to include more attention to the sociodemographic and economic determinants of variation in the demographic components of change (Clifford and others, 1983).
- The determinants of elderly migration to and from nonmetropolitan areas should be a focus of further research (see Longino, 1990). This research should use a lifecourse perspective to determine how previous life experiences affect the chances of and directions of elderly migration.
- Research on the association between residential mobility and living arrangements of the elderly (Clifford and others, 1981) should be extended using a longitudinal framework so that relationships between these two variables can be investigated over time as persons age and experience loss of a spouse and/or cease independent living.

Social and Economic Well-Being of the Rural Elderly

Despite research indicating that the elderly are now relatively well off compared with youth (Preston, 1984), there is ample evidence that older people, in general, experience a substantial amount of poverty, social isolation, poor housing, and other socioeconomic problems, and that the rural elderly, in particular, have relatively high poverty rates (Glasgow, 1988) and experience lower than average living conditions (Glasgow and Beale, 1985). Research on the social and economic well-being of the elderly includes a far-ranging set of concerns.⁴

⁴ See Binstock and George (1990) for a comprehensive discussion of social science research topics in aging.

Attention here is limited to those social and economic issues that are directly (or indirectly) associated with differential levels of community (including economic) development among rural areas and/or between rural and urban areas. For example, rather than investigating society-wide questions such as, "What have been the contributions of income transfers to the relative economic status of the elderly?", the focus here is better placed on the effects of differences in local economic structure on the income security of older rural people. Even with this limitation, this section of the paper could become excessive. I will identify accordingly high-priority issues that are suggestive of principal domains of research on these topics, rather than attempt to compile an exhaustive research agenda. An overriding question is whether residence in a rural area in and of itself affects the social and economic well-being of older people, or is the rural effect merely a reflection of the characteristics of persons who tend to concentrate in rural areas.

- How do industrial, occupational, and institutional differences among local labor markets affect the lifetime earnings of urban and rural elderly, and consequently, their income security in later life (see Cruise, 1991)?
- What sources of income contribute to the economic security of older rural people, and how does the composition of income change over the lifecourse in later years? How and why do sources of income such as earned income, transfers from children and other relations, in-kind income, pensions, and so forth differ among rural and urban elderly populations?
- How do differences in the industrial, occupational, and institutional structure of urban and rural labor markets affect the transition from paid work to retirement?
- Despite a high rate of homeownership (many with mortgage paid off), 69 percent of poor elderly households exceeded the Federal affordability standard in 1985 (Lazere and others, 1989). Does this high housing cost burden put the rural elderly poor at risk of losing their homes? What are the implications of loss of homeownership for the elderly's ability to maintain independent living?
- How do morbidity, disability, and mortality change over the lifecourse in relationship to environmental (natural and institutional) and industrial differences between rural and urban communities? Do other differences in social organization between areas, such as participation rates in formal and informal organizations, have an effect on the health and function of older people (Moen and others, 1989)?
- What aspects of community social structure are conducive to the types of family relations, social networks, and social support, in general, that have been shown to contribute to successful aging and maintenance of independent living (Antonucci, 1990). Do these aspects of social structure differ between urban and rural communities? What is the effect of urban-to-rural or rural-to-urban migration on the maintenance of effective social supports and social relationships?

Rural Community Adaptation to Population Aging

Up to this point, I have focused on individual-level issues concerning elderly rural Americans. The focus in this section is at the community level. The overall concern is rural community adaptation to population aging. The age composition of a population shapes community needs and demands for goods, services, and economic opportunities, as well as patterns of consumption, lifestyle, and political and social behavior. Some specific implications of a growing elderly

population include changing consumer tastes, increased demand for locally provided medical care, changing housing requirements, increased demand for public transportation, and an increased focus on elderly-oriented leisure time, recreational, and community activities (Glasgow, 1991).

The following questions need to be raised:

- What is the nature of community-level fiscal, institutional, and economic responses to population aging? How does community adaptation to an increasing elderly population differ in contrasting types of rural and urban settings, including growing versus declining, aging-in-place versus retirement destinations, and prosperous versus disadvantaged areas? How do access to and utilization of services by the elderly population differ in these types of places?
- What are the relative local area costs and benefits of population aging, and especially in populations that are aging through retirement immigration? How are these costs and benefits distributed throughout the community? How does the balance of costs and benefits change over time as elderly immigrants age in place (see Glasgow and Reeder, 1990)?
- Are recreation and retirement-based economic growth sustainable? Are recreation and tourism and retirement immigration independent determinants of nonmetropolitan population growth? If not, what is the nature of their economic and institutional linkages?

Discussion

In this paper I have shown that the rural population is an aging population. At both the individual- and community-level, this dramatic sociodemographic change will pose one of the most important and difficult challenges for public policy, local institutions, and the private sector during the 1990's and beyond. Public debate has already begun to focus on intergenerational equity, and a number of State governments, enamored with the "mailbox economy" have already instituted policies to attract retirees, regardless of the long- or short-term costs. Public and private decisions related to population aging will benefit accordingly from more and better research-based information on: (1) the determinants of population aging in rural areas, (2) factors associated with social and economic well-being of elderly rural Americans, and (3) local community adaptation to an increase in the absolute and relative size of the elderly population.

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Demographic and Socioeconomic Changes of Rural Youth and the Elderly:

Report from the Work Groups

Franklin Wilson

The work groups on "Demographic and Socioeconomic Changes of Rural Youth and the Elderly" identified a number of important gaps in our knowledge which future research should seek to address. Previous research suggests that currently there are significant similarities in the household/family and economic circumstances of populations living in metropolitan and nonmetropolitan areas. Similarities that have been reported includes the incidence of single-family households, proportion of children living in households of never-married women, and proportion of children in households where the mother works. These trends raises an important question: namely, have the institutional structures, organization and pattern of economic activities, and technological bases of metropolitan and nonmetropolitan areas converged to the point where it is now possible to consider applying explanatory models which treat the prevalence of such outcomes as female headship and poverty without regard to the presumed geographic distinctiveness of these areas? As Lichter points out, current discussions of the circumstances of minority populations living in ghetto areas, identity limited employment opportunities as a key factor in promoting female-headed households, poverty, and out-of-wedlock births. In addition, it is suggested that the effects of limited employment are exacerbated by the breakdown of social organization and integration such that institutional mechanisms so crucial for the transmission of societal norms and values related to family, work, and the well-being of children are absent. Although this theory awaits empirical verification, it seems to me confirmation of the convergence of metropolitan and nonmetropolitan areas would provide a somewhat different geographical context for testing this model.

Unfortunately, the models of metropolitan/nonmetropolitan convergence, though eloquently stated by such proponents as Wardwell, have not themselves been empirically verified in their most important particulars. Thus, we are left with observed metropolitan/nonmetropolitan similarities in outcomes for households and individuals, but no theoretical framework which we can embrace with confidence as providing an explanation for what has been observed. The rival hypothesis, which we should take very seriously, is the particular manner in which the metropolitan/nonmetropolitan is constructed, and whether the similarities we observe are simply a result of this construction. A comparison, for example, of the metropolitan/nonmetropolitan populations on any number of factors without appropriate controls for adjacency and rural/urban residence may lead to inappropriate conclusions as to the extent and character of similarities and differences between these populations. In addition, we need to be more creative in specifying the substantive character of the observed effects of geography on outcomes. Since it is often the case that such effects represent the influence of unmeasured variables, we need to be clear both in the identification of these variables and in how they fit into a conceptual model.

The relationship of labor force participation with fertility of rural women and the well-being of children are other areas requiring more research. In this regard, we identified several priority issues for research. First, disentangling the nature and direction of the relationship between labor force participation and fertility. Is lower fertility a consequence or a cause of employment outside the home or is the relationship between the two spurious, reflecting the influence of factors exogenous to both. Second, does access to child care arrangement affect the incidence of employment outside the home. Finally, do limited employment opportunities and access to child

care for women who want to work increase both the incidence and duration of spells of poverty experienced by women?

Questions such as the latter cannot be adequately addressed with extant files, in part, because they are cross-sectional in character and, in part, because they lack an appropriate units of analysis. Longitudinal data files which are structured around children as the unit of analysis would permit more precise analysis of such issues as: (1) whether changes in family circumstances affect the academic performance and economic well-being of children; (2) mechanisms through which such outcomes as family formation and dissolution occur; and (3) identification of family and social environmental factors which promote intergenerational transmission of out-of-wedlock births, substance abuse and poverty.

Considerable interest was expressed for the design and implementation of an evaluation research program focusing on the impact of the Family Support Act of 1988, which is a revision of the AFDC Program. On the surface, it appears that households living in nonmetropolitan areas would probably benefit from this Act more than households living in urban areas. Certain provisions of the bill make it less difficult to service households more dispersed residentially.

A substantial amount of the research on the elderly population in nonmetropolitan areas has focused on migration, including studies of the volume of migration, characteristics of migrants, and the effects on destination choice of such factors as the presence of retirement communities and amenities and cost of living. However, still more research need to focus on the effect of elderly migration on destination communities themselves, both from the point of view of the elderly bringing a new source of income, and the elderly as a population which may have special services needs requiring public input.

More emphasis on a life cycle or lifecourse approach to studying the migration of the elderly could provide new insight into circumstances leading to their choosing particular destinations then subsequently leaving for other destinations. For example, some research suggest that the elderly might leave the East and go South, spend 10-15 years there, then return to the point of origin because of the limited availability of appropriate health services and social support networks. Lifecourse approach will allow us to detect these kinds of movements and distinguish them from those involving individuals who leave their place of birth, spend their working life some place else, then return to place of birth at retirement.

Although research has demonstrated that elderly migrants are not the principal source of growth in the elderly population in most localities, little research has been directed toward studying the elderly who spend their working life in nonmetropolitan areas and retire there as well. The nonmigrant elderly appear to be worse-off relative to their migrant counterparts. The nonmigrant elderly appear to live in poor communities, where few services are available and where a substantial number of the young leave. Thus, more research needs to be conducted to provide information on their economic circumstance, whether they are involved in social support networks within the immediate area, the kinds of assistance they received through these networks, and the extent to which these services might differ from those provided to the elderly living in urban areas.

Family and Household Structure and Change in Rural America:

Issue Brief,

Tim B. Heaton

Recent studies of family and household demographics find many similarities between rural and urban areas as well as between metropolitan and nonmetropolitan areas. It is safe to conclude that any major trends that have been observed for the Nation as a whole can also be observed in nonmetropolitan and rural areas. These trends include increasing age at marriage, declines in overall fertility, increases in nonmarital fertility, rising cohabitation, declining age at first sexual intercourse, lower marital stability, declining percentages of households containing a married couple and their own children, growing percentages of mothers who are in the labor force, and increasing numbers of nontraditional households. These trends are all manifestations of fundamental changes in the way that individual's are reared within families, and, in turn, how they enact their own family lives.

Rural America, like the country as a whole, is experiencing fundamental changes in family and household structure. Family issues that are important on the national scene will also be important in rural areas. These include feminization of poverty, the well-being of children, teenage pregnancy, dual-earner couples, and growth of nontraditional families and households.

Although some studies suggest that urban-rural and metro-nonmetro differences may be converging, significant differences remain. It also appears that urban-rural differences are greater than metro-nonmetro differences, but evidence is far from complete. Heaton and others (1989) find little spatial difference in the timing of first intercourse and first birth, but rural nonmetropolitan areas are characterized by younger age at marriage. Similarly, O'Hare (1991) reports a higher percentage of rural residents are married, with or without children, than are urban residents. Fuguitt and his colleagues (1989) find few metro-nonmetro differences in household composition, but rural areas have higher proportions in married couple households with minor children, and relatively few persons in single-parent families or living alone. Their research also identifies young age at marriage as a distinguishing feature of rural family life. Rural areas have a long tradition of above average fertility, but this difference appears to be declining (Fuguitt, Brown, and Beale, 1989).

Changing family structure in the 1980's has generally diminished the metro-nonmetro difference (Swanson and Dacquel, 1991). This convergence in spatial differences suggests alternative interpretations. On the one hand, the diminishing difference may indicate the declining importance of the urbanization dimension. On the other hand, more rapid change in rural areas required to create convergence may continue and eventually create a new divergence. For example, rural areas experienced a sharp increase in the number of black children living in female headed households, thus increasing the rural/urban difference (Swanson and Dacquel, 1991).

Of course, simple dichotomies in residence type mask important spatial differences. Community size, proximity to large urban centers, location on transportation corridors, and other dimensions of spatial structure provide more refined indicators of residence. Moreover, regional variation in modes of production, subcultural orientation, and economic structure change work patterns and levels of living that, in turn, affect family life.

Research should continue to pay attention to nonmetropolitan-metropolitan and, in particular, rural-urban differences in family structure. More detailed categories of residence type and regional variation should also be taken into account.

Even with more refined categories, measures of residence type leave unanswered questions regarding processes that generate spatial differentiation. Even though type of residence continues to account for some differences in family structure, the magnitude of these differences creates an awkward situation. The differences are large enough that they should not be ignored. At the same time, the differences are not so great as to require exclusive study of one type of area. Indeed, the modest size of residential differences coupled with a rapid decline in the proportion of people in rural or nonmetro areas (to about 30 percent nonmetro and an equivalent percent in rural areas in 1980) suggest that rural studies may be threatened with obsolescence unless they contribute to our understanding of society as a whole. In particular, the farm population has many distinctive features, but it is a shrinking proportion of the United States population (only 2 percent in 1988).

Most research should not focus exclusively on rural, farm, or nonmetropolitan family life, but should provide a basis for generalization to broader segments of society.

Composition of rural and/or nonmetropolitan areas is an important source of variation in family demographics. Heaton, Lichter, and Amoateng (1989) find that population composition, as measured by a fairly limited set of control variables, accounts for roughly half of the spatial variation in timing of first marriage. Fuguitt, Brown, and Beale (1989) identify substantial differences in fertility on the basis of race/ethnicity, education, labor force participation, income, and migrant status. Nonmetropolitan minorities are perennially ranked among the more economically disadvantaged groups in the country (Jensen and Tienda, 1989). Indeed, demographic, ethnic, and socioeconomic differences are substantially greater than are the spatial differences. Research on rural and nonmetropolitan families must take population composition into account.

Attitudes and Values Regarding Family Life

Prior research and common wisdom support the notion that rural people have more traditional outlooks on life. One analysis of values in the mid-1970's leads the author to retreat from his earlier conclusion that "rural-urban differences in values are decreasing as America moves in the direction of a mass society" (Larson, 1978: 110). Larson goes on to note: (1) rural-urban difference in the emphasis given to major values, (2) differences may narrow in some cases but widen in others, and (3) variation within rural America is substantial. Rural residents were more likely to take traditional positions on such family-related issues such as divorce, premarital sex, birth control, and abortion. These differences suggest some strain between rural areas and the broader society.

The dramatic changes in family life that have occurred in the last two decades indicate a need to update our knowledge of urban-rural differences in family-related values and attitudes. A broad gap between rural values and fundamental family change could pose serious problems for the relevance and utility of national policies designed to deal with this family change.

For this report, I calculated urban-rural differences in attitudes toward broad groups of family issues using the 1987 National Survey of Families and Households (see appendix table 1). The questions fall roughly into four groups, namely: (1) the effect of family behavior on young children, (2) the acceptability of various forms of union formation and dissolution, (3) gender

roles, and (4) assistance given to parents or adult children. These results generally show little difference between the metropolitan majority and various subcategories of nonmetropolitan residents.

The first set of questions asks about attitudes regarding mothers working, day care, and divorce when young children are involved. Responses for residents in metropolitan, adjacent nonmetropolitan, and urban nonadjacent counties all fall within a few percentage points of each other. Residents of nonadjacent, entirely rural counties are a little more likely to disapprove than other groups, but the differences are not large. On questions regarding nontraditional family behaviors, including having a child without getting married, staying single, cohabitation, premarital sex, nonbiological parents and childlessness, the most rural residents tend to have more traditional attitudes, with nonadjacent rural counties averaging about 11 percentage points higher disapproval than metropolitan residents. Similar patterns are not observed, however, on issues of divorce, extramarital sex, or the desire to be free of parental responsibilities. Although rurality is associated with a traditional response to a gender based division of labor, rurality has little association with attitudes regarding independence in sons and daughters, individual freedom in marriage, and shared housework in dual-earner households. Finally, there is very little correlation between rurality and beliefs how much parents and older children should help each other. Perhaps we have been making inaccurate assumptions about the existence of more traditional family values in rural areas.

With the possible exception of the most rural residents, there appears to be little urban-rural difference in family attitudes and values. Thus, family centered values and attitudes should not be a major focus of family policy or research in rural areas.

Family Behavior and Population Change

For a relatively brief period, the migration turnaround shifted our focus away from concerns of population decline in rural areas. It appears now that the turnaround was the exception rather than a fundamental restructuring of population redistribution. An increasing proportion of nonmetropolitan counties are now experiencing population decline and natural decrease (Fuguitt, Beale, and Reibel, 1991; Johnson, 1991). Approximately 500 nonmetro counties were experiencing natural decrease (more deaths than births) in the late 1980's. In part, an increased number of deaths is a consequence of immigration of the elderly during the turnaround era. More importantly, the rural fertility rate has dropped substantially. Indeed, in the late 1980's, the nonmetro crude birth rate actually dropped below the metro rate. Age-standardized measures of fertility indicate that nonmetro women still have more children than metro women, but the age structure of nonmetro areas is unfavorable to fertility (Fuguitt, Beale, and Reibel, 1991).

Population trends reveal the interconnectedness of family and population issues. In the past, high rural fertility sustained rural population size, even in the face of outmigration. With rural fertility converging toward the national average, population stability will be more difficult to sustain and the rural population will age more rapidly than in the past. Given that outmigrants are generally just reaching the prime childbearing ages, renewed outmigration from nonmetro areas in the 1980's could lead to a further decline in birth rates. The decline in rural births may even be exacerbated by an apparent trend toward later childbearing (Fuguitt, Beale, and Reibel, 1991). Of course, lower fertility now could reduce the pressure for young people to move out in future years when smaller cohorts reach late adolescence. Less outmigration of youth, in turn, could mean more stable residential patterns and kinship ties. If fewer young people leave, it could also reduce the cost to rural areas of bearing and raising children, who then leave for greener pastures.

Changing population structure also signals a shift in the relative importance of various family issues. The increased ratio of funerals to baby showers implied by natural decrease is suggestive of how family issues may shift. National issues on child-support payments and child care are certainly relevant in rural areas with a historical pattern of high fertility, but the shifts in age structure implied by the combination of declining fertility, young outmigration, and older immigration may mean that issues of care-giving to the frail elderly are also of increasing importance. Indeed, the double burden of youth dependency and elderly dependency may be particularly acute in more rural areas in the present and near future.

Population trends are shaped by family behavior and the resulting population structure, in turn, has an effect on family issues. Research is needed to identify family factors influencing fertility and migration, and to show how resulting age structure and population change alter the importance of various aspects of family life.

Several changes in family structure, including marital dissolution, lower fertility, later age at marriage, and earlier exit from the parental household, have resulted in a decline in the size of households. Many services are provided to households rather than to individuals. Thus, faster growth of households than individual persons increased demand on some services. This trend is not unique to rural or nonmetropolitan areas, but problems of service delivery many differ across the urban hierarchy.

Research is needed to examine the implications of more rapid growth of households than of population.

The Family-Society Interface

Rural families are not self-sufficient entities (Coward and Smith, 1982). A cursory review of research published in *Rural Sociology* over the last 5 years reveals important connections between the family and other social institutions. Farm background contributes to marital stability (Acock and Deseran, 1986), the structure of agriculture influences fertility patterns (Plutzer, 1986; Landale, 1989), size of community is associated with exchange orientations in marriage (Hansen, 1987), and the sex ratio has important effects on family formation and structure of nonmetro blacks (Fossett and Kiecolt, 1990).

Modes of production have been of particular importance for the organization of family life in rural areas. The family remains a unit of production in many areas. The role of families is often obscured, however, because women's contribution to farm production is often underrated by traditional labor market statistics (Reimer, 1986). Yet, adaptations to economic change may be most evident in women's behavior. During the farm crisis, rural and especially farm women accelerated their rate of entrance into the labor force (Ollenburger, Grana, and Moore, 1989). The limited opportunity structure in nonmetro areas, unfortunately, puts female-headed households at greater risk of poverty (McLaughlin and Sachs, 1988). The increase in dual-earner couples may also prohibit many people from living in rural areas with limited labor markets.

Research on rural families needs to pay careful attention to the relationships between the family and other social institutions. In particular, research is needed on the connections between economic production, gender roles, and family functioning.

Family Policy

Although recent analysis questions the impact of governmental policy on family structure, it does indicate that policies can provide some assistance to families in economic distress or with inadequate child-care options (Bane and Jargowsky, 1988). Policies and specific programs, however, may have different impacts in urban and rural areas (Coward and Smith, 1982). Program effectiveness could be constrained by population composition, limited alternatives in rural areas, and different individual responses. Some policies, such as paid parental leave and on-site child care, may be more feasible in large corporations that are concentrated in urban centers. Support for formal child-care facilities may also be less effective in low-density settings where there is insufficient demand to support such facilities. Rogers (1991) notes that nonmetro children are less likely to have formal child-care arrangements. Attempts to increase child-support payments may be more difficult and may need contingency provisions in areas where periodic unemployment is common, where wages are generally low, and where more people are self-employed. Economic considerations are particularly important in nonmetro areas because children in these areas are more likely to be in poverty or near poverty (Rogers, 1991). Provision for the elderly may also be more difficult in smaller cities and rural nonfarm areas because of the inaccessibility of children (Lee, Dwyer, and Coward, 1990). Some policies may be further complicated by aversion to welfare in more rural areas (Rank and Hirschl, 1988).

Family policies designed to deal with issues such as poverty, the elderly, and child care must be sensitive to conditions in rural areas where poverty rates are higher but where some policies designed for urban centers may be ineffective.

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Appendix table 1--Attitudes toward family issues by urban status of county, 1987 NSFH

| Question (traditional answer is in parenthesis) | Metropolitan | Nonmetropolitan | | | |
|---|--------------|--|-------------|----------------|-------------|
| | | Urban place | | Entirely rural | |
| | | Adjacent | Nonadjacent | Adjacent | Nonadjacent |
| | | <i>Percent who gave a traditional answer</i> | | | |
| Mothers who work full-time when their youngest child is under age 5 (disapprove) | 47.4 | 48.5 | 48.1 | 48.3 | 51.6 |
| Children under 3 years old being cared for in a day care center (disapprove) | 58.7 | 59.9 | 58.0 | 56.2 | 60.0 |
| Mothers who work part-time when their youngest child is under age 5 (disapprove) | 27.8 | 27.5 | 32.7 | 32.7 | 36.4 |
| A couple with an unhappy marriage getting a divorce when their youngest child is under 5 (disapprove) | 34.5 | 33.6 | 39.4 | 35.2 | 43.1 |
| Preschool children are likely to suffer if their mother is employed (agree) | 48.3 | 47.0 | 51.4 | 52.5 | 52.3 |
| Women who have a child without getting married (disapprove) | 57.5 | 60.9 | 66.4 | 64.2 | 73.3 |
| It's better for a person to get married than to go through life being single (agree) | 47.6 | 47.4 | 51.3 | 50.5 | 53.4 |
| Marriage is a lifetime relationship and should never be ended except under extreme circumstances (agree) | 73.9 | 76.6 | 78.4 | 78.5 | 74.8 |
| It is all right for an unmarried couple to live together even if they have no interest in considering marriage (disagree) | 45.5 | 49.4 | 54.5 | 53.5 | 60.1 |
| It is all right for unmarried 18-year-olds to have sexual relations if they have strong affection for each other (disagree) | 49.8 | 54.1 | 57.1 | 58.4 | 59.8 |
| Married couples ought to overlook isolated occasions of sexual unfaithfulness (agree) | 13.7 | 11.4 | 14.3 | 11.7 | 8.9 |
| Children have fewer problems with natural parents than with one natural parent and one step-parent (agree) | 47.1 | 50.0 | 54.0 | 54.2 | 59.5 |
| It is all right for an unmarried couple to live together as long as they have plans to marry (disagree) | 40.8 | 43.0 | 50.1 | 49.8 | 55.6 |
| It is better for a person to have a child than to go through life childless (agree) | 38.4 | 35.9 | 43.7 | 42.6 | 45.4 |

| | | | | | |
|---|------|------|------|------|------|
| I often wish I could be free from the responsibility of being a parent (disagree) | 76.9 | 78.3 | 82.6 | 78.0 | 75.9 |
| It is much better for everyone if the man earns the main living and the woman takes care of the home and family (agree) | 47.4 | 46.2 | 54.9 | 54.5 | 60.7 |
| Parents should encourage just as much independence in their daughters as in their sons (disagree) | 5.6 | 3.8 | 4.7 | 3.4 | 4.7 |
| In a successful marriage, the partners must have freedom to do what they want individually (disagree) | 13.5 | 13.4 | 16.2 | 14.5 | 8.1 |
| If a husband and a wife both work full-time, they should share household tasks equally (disagree) | 2.8 | 2.3 | 3.6 | 2.7 | 1.6 |
| Parents ought to help their children with college expenses (agree) | 68.7 | 68.6 | 71.4 | 66.8 | 74.2 |
| Parents ought to provide financial help to their adult children when the children are having financial difficulty (agree) | 49.5 | 49.5 | 46.9 | 45.1 | 55.5 |
| Children ought to let aging parents live with them when the parents can no longer live by themselves (agree) | 54.4 | 51.0 | 51.3 | 50.8 | 51.4 |
| Children ought to provide financial help to aging parents when their parents are having financial difficulty (agree) | 74.9 | 72.1 | 70.8 | 68.1 | 76.3 |
| Parents ought to let their adult children live with them when the children are having problems (agree) | 38.9 | 33.9 | 35.0 | 32.6 | 34.0 |

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Demographic Aspects of the Changing Rural Labor Force:

Issue Brief

Daniel T. Lichter¹

These are pessimistic times for rural America. The current economic outlook stands in sharp contrast to the optimism of the 1970's when nonmetropolitan areas experienced an unprecedented revival in population and employment growth (Fuguitt, 1985). The hopes of the 1970's were short-lived. The 1980's brought a new economic reality that included the most severe recession of the post-war period, a lingering farm crisis, increased global competition in the marketplace, and a restoration of historic patterns of rural outmigration and slow employment growth. While metropolitan areas successfully recovered from the recession of the early 1980's, rural areas have languished. The economic future of rural America today lies in the balance.

Much of the current economic uncertainty resides in the sectoral transformation of the national and international economy. Rural areas have become less dependent on agriculture, and their industrial base is considerably more diversified than in the past. This means that rural workers today are more vulnerable than in the past to national cyclical trends in the economy, technological change, and international competition for product markets (Flora, 1990). Indeed, rural workers have not been immune to the economic effects of deindustrialization (especially plant closings) and industrial restructuring. Rural labor markets continue to lose low-skill jobs in the production sector to overseas markets. As a result, employment growth in the extractive (such as, agriculture, mining, and timber) and manufacturing sectors stagnated during the 1980's, while new job growth is increasingly tied to the low-wage service sector. These changes have coincided with the apparent halt to the decades-long convergence in economic well-being between metro and nonmetro areas. Scholarly and media attention today is increasingly drawn to the economic problems of the urban "underclass" (Wilson, 1987), but rural people in the aggregate actually fell further behind metro people during the 1980's on several important economic indicators, such as unemployment and income.

Recent and projected demographic changes also pose additional challenges and provide new opportunities for rural public policy and economic development. For example, much of the rapid labor force growth in the 1970's, both in rural and urban areas, was due to the large baby boom cohort reaching working age and entering the workforce for the first time. The next decade or so will be a period of much slower employment growth, as the numerically smaller baby-bust cohorts of the 1970's reach adulthood (Fullerton, 1989). The continuing entry of women and minorities into the workplace also implies a more demographically heterogeneous labor force in the future, one with diverse skills and needs that raise important questions about equity, worker productivity, and poverty. Finally, many of the institutions that enhanced or supported economic well-being in the past, such as families that stayed together and schools that educated, have undergone rapid and sometimes troubling changes.

Current demographic trends are broad-based and rural places and people face the same challenges that now confront the entire nation as it moves toward the 21st Century. The rural labor force is at a crossroads. A basic goal here is to give some direction to future demographic

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research on the rural labor force. Specifically, this report: (1) highlights and synthesizes our current knowledge of recent labor force and employment trends, particularly for the 1980's; and (2) proposes a modest agenda for rural labor force research in the 1990's.

Rural Labor Force Change in Recent Perspective: Some Facts

Understanding current rural labor force trends helps us to clarify research priorities and to formulate effective policy for the future. It is clear that in the decade of the 1980's, longstanding patterns of economic disadvantage among rural people were maintained and sometimes reinforced. Some examples include:

- Employment growth was much slower in nonmetro than metro areas throughout most of the 1980's. Indeed, nonmetro employment declined by 7 percent during 1989-90, while employment increased by .5 percent in metro areas (U.S. Dept. of Agriculture, 1990/91). Whether this pessimistic pattern will continue into the 1990's is unclear.
- Employment growth rates among nonmetro racial minorities and women exceeded those of whites and men during the 1980's. For example, among nonmetro blacks, employment increased 4.2 percent during 1988-89, compared with 10.3 percent among Hispanics and 3.5 percent among whites. Employment growth rates were 4.7 percent and 2.9 percent among nonmetro women and men, respectively (U.S. Dept. of Agriculture, 1990).
- For much of the 1970's, the nonmetro unemployment rates were lower than metro rates. In contrast, nonmetro unemployment rates were roughly 1-2 percentage points higher than the metro unemployment rates during the 1980's. In 1989, for example, about 5.7 percent of the nonmetro labor force---over 26 million workers---were unemployed. The metro unemployment rate was 5.2 percent (U.S. Dept. of Agriculture, 1990). Since 1989, unemployment rates have increased again in both metro and nonmetro areas.
- Levels of underemployment, including unemployment, involuntary part-time work, and the working poor, were substantially higher in nonmetro than metro areas during the 1980's (Lichter, 1987). Bird (1990) estimated that 20.4 percent of nonmetro men in 1987 were underemployed, compared with 13.8 percent of metro men. The metro-nonmetro underemployment difference was even greater among women--27.9 versus 16.9 percent.
- Over the 1973-87 period, nonmetro per capita income declined from 78 to 73 percent of metro per capita income (Reid and Frederick, 1990). Much of this decline was due to stagnating real wage growth among nonmetro workers. Between 1982 and 1987, real earnings (in 1987 dollars) declined slightly from \$16,823 to \$16,738 (U.S. Dept. of Agriculture, 1990). Nonmetro earnings lagged behind metro earnings in all major industrial categories in 1987.
- After peaking at about 18.5 percent during the 1983-86 period, poverty rates slowly declined in nonmetro areas during the late 1980's. In 1988, poverty rates were 16 percent in nonmetro areas, compared with about 12 percent in metro areas (Reid and Frederick, 1990). Moreover, a significantly larger share of nonmetro poor families than metro poor families contain at least one employed household member. Working poverty is disproportionately represented in nonmetro labor markets (Tickamyer and Duncan, 1991).
- The industrial restructuring of the nonmetropolitan economy continued apace between 1979 and 1987 (U.S. Dept. of Agriculture, 1990). Goods-producing industries, including

farming and mining, declined as a share of all employment from 39.5 percent to 34.5 percent during this period. Even the share of manufacturing employment declined from 19.5 percent to 17.3 percent. Conversely, service-producing industries increased from 60.5 to 65.5 percent during 1979-87 (U.S. Dept. of Agriculture, 1990). Much of the increase was due to growth in low-wage consumer service industries rather than in producer services, such as finance, insurance, real estate.

The economic welfare of rural people and places--as measured in jobs, earnings, and poverty--is inextricably linked to the labor force. Indeed, the statistics above underscore the continuing significance of recent labor force change in the individual lives of rural workers and their families. The economic facts of today also give direction to an agenda for rural research and policy in the 1990's and beyond.

A Research Agenda for the 1990's: Five Subjects for Debate

Policy initiatives and research in the 1990's will emerge in large part from rival interpretations of statistical evidence from the recent past. Current population shifts and projected demographic changes in the labor force will undoubtedly provide a backdrop for much of the debate. Listed below are five axes for discussion and debate, which will likely give direction to future demographic and policy research on the rural labor force.

Quality of Jobs versus Quality of Workers

Industrial restructuring will not abate in the 1990's as the United States moves to a post-industrial service economy. Continuing sectoral change has important implications for both the quality of jobs and the quality of workers. Has industrial change "degraded" jobs (for example, by de-skilling and more part-time work) or has it increased the demand for highly-skilled labor at the expense of the least skilled and educated?

- A guiding question for future research is whether the economic fate of rural people and places is tied primarily to the declining quality of jobs, or instead resides in the low and declining quality of workers in rural areas.

The pessimistic view is that industrial restructuring has coincided with a shift from "good jobs" to "bad jobs" (for example, Bluestone and Harrison, 1988). Declines in the goods-producing sector are being replaced with new jobs in the low-wage service sectors, for example, the flipping hamburgers in fast-food restaurants. Rural workers are especially vulnerable to these sectoral shifts, primarily because the industrial base of nonmetro labor markets is disproportionately comprised of low-wage production jobs. These are often "bottom-of-cycle" jobs, such as in textiles and apparel, with routinized production techniques that depend primarily on low- or semi-skilled machine operators and laborers (Bloomquist, 1987). Indeed, the educational requirements of jobs in the rural sector are on average lower than those of urban jobs (McGranahan and Ghelfi, 1991). These are the jobs that face the greatest threat from cheap labor overseas. International competition in the labor market also presumably drives down worker wages (for example, through wage concessions or two-tiered wage structures), reduces fringe benefits (including health insurance), and increases part-time employment or other "contingent" work. The implication, of course, is that the least skilled in nonmetro labor markets are at greatest risk of job displacement, extended periods of unemployment, and underemployment.

- A priority policy research issue in the next decade will be to identify those rural population groups and communities most affected by industrial change and competition in

the national and international labor market. What are the characteristics of the displaced? How long are they without work? What kinds of jobs do they take upon labor force re-entry? How do earnings compare to earnings from the previous job? And what are the routes, for example migration, through which rural workers escape employment hardship (including unemployment, low-paying employment, and participation in the informal economy)?

These are critical policy questions in a period of deindustrialization, slowing employment growth, and fluctuating unemployment rates. Indeed, Swaim (1990) found that the duration of unemployment among displaced rural workers was substantially longer than that experienced by metro workers.

The apparent changes in the quality of jobs obviously increase the need to better conceptualize the multiple dimensions of work. This is not a new idea (see Tweeten, 1982). It is one, however, that takes on new urgency during the current period of fiscal austerity, when the accurate programmatic targeting of the most disadvantaged people and places is essential (Reeder, 1990). The sole reliance on employment, unemployment, or earnings as indicators of rural labor market performance may be inappropriate or even misleading in a changing economy. For example, using the Labor Utilization Framework (Clogg, 1978), Lichter (1987) showed that unemployment rates misrepresented the seriousness of employment hardship in rural areas. Others have drawn similar conclusions (Bird, 1990; Tigges and Tootle, 1990). Rural underemployment rates, which include involuntary part-time employment, low-wage employment, and schooling-occupation mismatches, greatly exceed rural unemployment rates.

- Future rural research should evaluate the multiple economic and noneconomic dimensions of labor force experiences and outcomes. Conventional indicators of labor force performance or labor supply/demand, such as unemployment, should be supplemented with measures of underemployment--broadly conceived--which can be routinely included in ongoing labor force surveys.

But the development and increasing use of underemployment indicators is only a start. There must be greater sensitivity to other dimensions of work. For example, fringe benefits, including health care insurance and retirement pension programs, are especially important because they directly affect the current and future economic well-being of rural workers and their families. Noneconomic aspects of jobs also play a role in workers well-being. How do we measure job security, job satisfaction, autonomy, and authority in the workplace, dangerous or hazardous work, and occupational status (Rosenthal, 1990)? It may be these work dimensions that increasingly differentiate rural from urban workers during the current period of rapid labor force change. What constitutes a "good" job in a rural labor market area?

The changing quality of rural employment is an important policy concern. But others emphasize that worker skills are inadequate or otherwise ill-suited to the labor demands of a changing rural economy. To be sure, industrial restructuring and technological change in the workplace has increased the literacy and numeracy requirements of many jobs. The ability to communicate well, to work effectively in groups, and to acquire "flexible" cognitive skills also will be required of American workers in an ever-changing work environment. The demand for highly skilled and educated labor will undoubtedly increase during the next decade, but the magnitude of this increase has been the subject of considerable recent debate (Michel and Teixeira, 1990; Johnston and Packer, 1987). A key question for the future is whether the supply of skilled rural workers will meet this changing demand. Have the job skills of the aging baby boom cohort been made increasingly obsolete in a changing economy? And will the pool of human resources be sufficiently replenished by the numerically smaller baby-bust cohorts?

Although the schooling levels of nonmetro workers increased substantially over the past several decades, rural workers continue to lag behind metro workers in educational and technical skills (McGranahan and Ghelfi, 1991). In 1987, the mean educational level in nonmetro areas was 12.6 years percent, compared with 13.6 years in metro areas (among those aged 25 and above). Moreover, rural areas have higher drop-out rates and adult illiteracy rates than do metro areas. This educational gap places rural workers at an economic disadvantage. Indeed, the conventional wisdom is that educational deficits also make rural labor markets less attractive destinations for corporate relocation and for branch plant expansion (compare, Killian and Parker, 1991).

- A priority issue will be to evaluate the changing role of education (or lack thereof) in the socioeconomic and occupational attainment of rural workers and in the economic vitality of rural places. Are "good" jobs available for the highly skilled and do increasing supplies of highly educated workers contribute to the economic development potential of rural labor markets?

It seems increasingly clear, at least at the national level, that the earnings gap between the least and most educated workers has grown larger (Ryscavage and Henle, 1990). The least educated have increasingly fallen behind economically, and this gap seems unlikely to narrow as the economy changes. How have earnings returns to rural education changed? Recent work by McLaughlin and Perman (1991) suggested that metro-nonmetro earnings differences are due primarily to metro-nonmetro differences in returns rather than to differences in human capital endowments. Such findings indicate a need to better understand how actual (and perceived) returns to education and training affect individual and community investments in education and training. In this regard, special attention should be paid to the schooling decisions of adolescents and young adults.

- Research in the 1990's also should focus attention on the "forgotten half" (William T. Grant Commission, 1988), the roughly 50 percent of young adults who cannot or will not pursue additional post high school education. What are the factors that affect the transition to post secondary schooling? And to what extent are young high school graduates in rural areas successfully making the transition from school to work?

These are important questions because school-work transitions today will affect the quality of the rural labor force in the future. Are rural children being adequately prepared for the kinds of jobs available in rural areas, or even urban areas? Is the transition from school to work marked by erratic employment experiences that leave permanent economic or social scars that are reflected in lower earnings and poverty in later adulthood? Obviously, different answers to these questions imply different economic futures for rural America.

Part of the problem affecting public support of additional investments in rural education and adult literacy or training programs is demographic. Rural communities in the late 1980's continued to lose their most highly educated--the "best and brightest"--to outmigration (Lichter, McLaughlin, and Cornwell, 1992). This brain drain from rural areas creates obvious disincentives for community investments in education and training programs. An educated labor force is a public good. Policy debates in the 1990's must therefore center on whether the financial burden of education should be shifted away from local rural communities to the State or Federal level. Equity considerations must be balanced against issues of local autonomy.

- Research in the 1990's should evaluate whether current funding practices deny rural children access to a quality education and a pathway to a "good" job?

Equity Versus Productivity

A slowdown in job growth in the 1990's (Fullerton, 1989) or even a labor shortage (Johnston and Parker, 1987) could benefit women and minorities, particularly if employers draw deeper into the employment queue. To be sure, increasing demographic heterogeneity in the national (and rural) workforce will heighten longstanding concerns about fairness and equity in pay and job mobility. If racial minorities and women comprise an increasing share of the future labor force--even in rural areas--to what extent will these demographic groups become economically integrated into the workforce? Can earnings and occupational equality across demographic groups be achieved--and at what price?

Alternatively, does increasing demographic diversity in the labor force imply a less competitive workforce, especially if minority or female workers have fewer occupational skills (for example, technical training), less work-related experience, or less relevant on-the-job training? For a variety of reasons, including overt discrimination, racial minorities--especially blacks in the rural South--have lower-than-average educational levels and few marketable skills. They also continue to attend poor and often inferior schools. If rural worker productivity and standards of living are to be enhanced, it will require a new commitment to quality education and economic opportunity for all people. Technological change may be central to future productivity gains, but it seems clear that worker productivity gains also will hinge on eliminating any existing employment or educational barriers for women and minority groups.

- Studies of the labor market experiences of rural women and racial minorities will be especially important in the 1990's. What are the major barriers or obstacles to achievement and what are the appropriate policy levers to address any remaining impediments? National and rural economic competitiveness may depend on the successful integration into the labor force of historically disadvantaged groups.

Equity and productivity considerations are especially relevant for rural women because they comprise the disproportionate share of recent and projected rural labor force growth. Yet, rural women experience higher unemployment rates than rural men and urban women (Bird, 1990). They also earn substantially less than rural men (Tickamyer and Bokemeier, 1988), face higher rates of underemployment (Lichter, 1989), and are over-represented in low-paying occupational or industrial sectors (Tienda, 1986). As rural women comprise an increasing share of rural workers, we need to redouble our efforts to identify the causes of gender inequality in rural areas. Is it due to the lack of employment opportunities? Inadequate skills? Or sex discrimination? These are important questions. In the absence of declines in gender inequality in earnings, the changing gender composition of the rural labor force will give demographic impetus to an increasingly economically disadvantaged rural workforce.

- A particularly important topic for future research is whether deindustrialization and the shift to a service-oriented economy reduces or exacerbates gender and racial inequality in the workforce. Will past equity gains be eroded by current labor market processes and technological change?

In a recent study of metro labor markets, the growth of local shares of service workers was associated with reductions in gender inequality (Lorence, 1991). But this reduction was due largely to declines in men's earnings, rather than to improvements in women's employment circumstances. Do such sectoral shifts have similar consequences for gender inequality in rural labor market areas?

Finally, the growth of women in the labor force, especially in rural areas, also will focus increased research attention on the linkages between family and work. Daycare, flex-time, and maternal leave may be important institutional changes necessary to attract rural women into the labor force. But these workplace accommodations also raise concerns about profitability because of the added costs to employers and products in a period of increased competitiveness in the marketplace. On the other hand, the failure to accommodate female workers may contribute to a rise in men's wages, particularly if prospective employers must compete more aggressively for male workers in short supply.

- How can the rural workplace accommodate women and families, while at the same time remain competitive in a national and global economy? Moreover, how does gender inequality in the home get reproduced in the marketplace? Productivity and equity research in the 1990's should incorporate family-work linkages.

Growth of Earnings Versus Growth of Earnings Inequality

Historically, reductions in the size of the poverty population have been directly linked to macroeconomic growth (for example, as measured by average wage gains or per capita GNP). A common aphorism was that "a rising tide lifts all ships." All income groups, including those at the bottom, benefited from economic growth. Today, there is less agreement. Poverty rates are increasingly affected by changes in the distribution of family and personal income (Levy, 1987). Indeed, there is growing speculation that economic growth appears to differentially benefit those at the top of the income distribution, while those at the bottom--including the poor--remain unaffected (Gottschalk, 1990).

At the national level, earnings inequality among both men and women working full-time accelerated during the 1980's (Levy, 1987; Ryscavage and Henle, 1990). Full-time workers in the top fifth of earning distribution accounted for roughly 41.0 percent of the aggregate earnings in 1988, a upswing from 38.9 percent in 1978 (Ryscavage and Henle, 1990). Conversely, the aggregate earnings share of the bottom quintile declined from 7.4 percent to 6.7 percent over 1978-88. When all earners were examined (including part-time or part-year workers), the level of inequality in 1988 was even greater. Growing inequality can be linked to the large influx of entry-level young workers in the late 1970's and early 1980's, to the continuing entry of females into the labor force (often at low pay), to changing family structure (especially the growth of female-headed and dual-earner families), and to economic restructuring (as less educated workers get left behind in a new economy).

Unfortunately, much less is known about the levels and demographic sources of changing income and earnings inequality in rural areas, especially for the 1980's. Fuguitt, Brown, and Beale (1989), for example, calculated gini coefficients in 1979 which indicated surprisingly similar levels of income inequality in metro and nonmetro areas. Moreover, for nonmetro areas, they observed virtually no change in inequality during the 1970's. Unfortunately, economic distress in rural areas may have accelerated disparities between the rich and the poor during the 1980's.

- Rural research in the 1990's should show greater sensitivity to issues of income and earnings inequality. How has income and earnings inequality changed over time in rural areas? And what are the sources of these changes?

Several issues seem particularly important for the 1990's. For example, what is the role of changing demographic composition on rural patterns of income and income inequality? The growing demographic heterogeneity of the rural population (for example, the rise of female-headed families) implies an income distribution that is "spreading out." It may also raise

questions about the success of community development programs in reducing the size of an increasingly diverse poverty population. For example, Larson (1989), in a study of Kentucky and Georgia rural communities, found that the expansion of rural employment opportunities was largely unrelated to reductions in the poverty population. To raise the income of the rural disadvantaged, the targeting of economic development programs may need to increasingly emphasize "class-based," or people-targeted programs rather than "community-based" criteria.

- An important question for future debate and empirical analysis is: Who benefits from employment growth in rural labor markets? And which economic development programs benefit those at the bottom of the income distribution?

Not surprisingly, recent rural income trends have stimulated a new round of research on the rural poverty population (Jensen and Tienda, 1989; Duncan and Tickamyer, 1988). Why are rural workers poor? And what is the economic impact of local, national, and international labor force changes? Unfortunately, despite the 1960's "War on Poverty," including the anti-poverty legislation and the innumerable poverty studies it spawned, our understanding of poverty--especially chronic rural poverty--remains rather limited. In response, the Rural Sociological Society has recently commissioned a Task Force to evaluate the extent and etiology of persistent rural poverty (Summers, 1990).

- Additional research is needed on the changing link between local employment dislocations, rural income inequality, and rural poverty. Are those at the bottom of the income distribution increasingly disadvantaged? And what is the role of employment opportunities and retraining programs in explaining exits from chronic and temporary poverty?

Income inequality also has a spatial dimension. Uneven development and the geographic restructuring of economic activity may be exacerbating longstanding spatial (that is, rural/urban) differences in economic well-being. Will the gap between rural and urban areas--between the core and periphery--get larger in the 1990's? And, to what extent are some rural communities and their residents becoming richer, for example, retirement areas, while others have become rural slums, especially those dependent on mining, timber, or smoke-stack industries? Indeed, poor communities have increasingly become dumping grounds for prisons, toxic waste deposit sites, and landfills for urban refuse (Fitchen, 1991). This often further reduces the attractiveness of these communities for other kinds of economic development.

- The causes and consequences of uneven development and spatial inequality represent a central topic of concern for research in the 1990's. Comparative regional studies are needed on such economically depressed and forgotten places as Appalachia, the Mississippi Delta (that is, the black-belt), the lower Rio Grande Valley, and northern New England (for example, Luloff and Nord, 1991; Colclough, 1988; Lyson, 1991).

Finally, there has been considerable debate recently about whether metro poverty and low income are increasingly concentrated in urban ghettos (see Littman, 1991; Jencks and Peterson, 1991). Today, the question of concentrated poverty also is relevant for nonmetro areas (Summers, 1991). Is there a growing "rural underclass?" Are an increasing share of the rural poor living in poverty areas or rural ghetto communities? Have the rural poor become more geographically and socially isolated? Are they "at risk" of various social pathologies (for example, illegal activities or "non-normative" family behaviors, such as illegitimate childbearing)? And are a growing share only marginally attached to the labor force, and therefore chronically dependent on welfare?

- Research on rural income inequality should seek to measure the size and changing demographic and economic characteristics of the "rural underclass."

Family Stability Versus Family Change

Rural employment policies and programs are often bereft of any reference to the family. In part, this neglect is due to perceptions that rural kinship structures are "stable" or "strong," and that rural families are largely immune to the destabilizing effects of local economic decline or employment hardship. It is difficult to shake this stereotype of rural family patterns. But these assumptions fail to square with recent facts. Over the past two decades, the family lives of rural and urban residents have completed a rather remarkable convergence (Fuguitt, Brown, and Beale, 1989). Rural and urban families are more alike than they are different on a variety of family indicators (for example, age at marriage, fertility, and divorce). Today, household structure and family size are virtually identical in rural and urban areas (Rogers, 1991).

- During the next decade, a new commitment to research that ties rural economic change to demographic changes in the family must be forged.

The motivation for this research rests on a simple premise. That is, a pessimistic economic future--which recent rural economic indicators arguably imply--also suggests a pessimistic future for the traditional rural family. Indeed, insights into the future of the rural family can be gleaned from national marriage trends and from family patterns among the ghetto poor (Wilson, 1987; Lichter, LeClere, and McLaughlin, 1990). United States marriage trends, especially delayed marriage among females, are increasingly linked to the declining employment prospects and real earnings of young men. One recent study, for example, showed that local-area male nonparticipation rates and low median earnings were strongly associated with reductions in female marriage rates (Lichter and others, 1990). Moreover, Wilson (1987) has argued that low marriage rates, high illegitimacy rates, and the rise in female-headed households among black inner-city women are rooted largely in local economic restructuring and the declining employment opportunities of black men. Black women today presumably face a demographic shortage of "marriageable" black men. Economic change is inseparable from family change.

Unfortunately, remarkably few empirical studies have linked rural economic change to family instability. Fitchen's (1981) ethnographic study of rural poor people in Upstate New York still provides perhaps the most vivid account of the linkages between rural economic stress and family disorganization. It is time for a new commitment to rural research on the interface between family and economic change.

- Is the economic viability of rural areas linked to delayed marriage, illegitimacy, and welfare dependence, instability in marital and nonmarital unions, transitory living arrangements (for example, adult children returning to live with their aging parents), and declining headship rates (for example, poor families "doubling up" as an accommodation to economic hardship)?

Families adapt to economic hardship in a variety of ways. Increasing diversity in rural family structure and function will characterize the future, and nontraditional families should not be evaluated against a primarily white middle-class standard. At the same time, it is clear that the relative decline in traditional married-couple families has placed an increasing share of females at risk of poverty. Increases in female-headed families have given demographic impetus to the rise in rural family poverty (McLaughlin and Sachs, 1988). In 1987, 60.3 percent of nonmetro female-headed families with children were below official poverty thresholds, a figure higher than the 53.2 percent observed among metro female-headed families (U.S. Dept. of Commerce, 1989). Economic deprivation is both cause and consequence of changing family structure. The process of economic deprivation is cumulative and self-reinforcing.

The feminization of rural poverty can also be linked to the rise of poverty among rural children. Poverty among rural children increased from 18.3 percent to 21.1 percent between 1980 and 1990. Moreover, a substantial share, about 60 percent, of the increase was due to growing proportions of children living in female-headed families (Lichter and Eggebeen, 1991). Adams and Duncan (1990) reported that "nearly half of the long-term poor living in nonmetropolitan areas are black, the majority are children, and most live in households where the head has not completed high school." This picture apparently has changed very little since the late 1960's. This implies an uncertain economic future for rural America, especially if today's poor rural children grow into poor adults. One particularly troubling aspect of child poverty is its apparently increasing association with poverty in adulthood (McLanahan, 1985).

- A research agenda for the 1990's should include: (a) empirical analyses of the links between parental employment opportunities, family structure, and women and children's economic well-being; (b) studies that identify the multiple pathways (including childhood experiences of divorce) to downward inter-generational socioeconomic mobility; and (c) renewed efforts to better understand the mechanisms through which rural poverty is reproduced from generation to generation.

Clearly, recent demographic research has identified the family as an important linchpin in the schooling and economic attainment process of young adults. Policy research aimed at evaluating the ameliorative effects of alternative public assistance programs that might strengthen traditional rural married-couple families, for example income supports, or reduce poverty levels of female-headed families, is now needed. Recent family change in inner-city neighborhoods may be a harbinger of things to come in rural America.

Old Data Versus New Ideas

The current statistical gathering system is under stress (Wallman, 1988). Perhaps the major concern is whether data collection methods and conventional indicators of economic performance are still adequate in a new and changing national and international economy. Indeed, has the quality of the data kept pace with the growth of new ideas?

This question is especially appropriate with respect to rural labor force data. Our statistical concepts and methods of data collection often originated during an economic period that was much different from today. Fortunately, a number of practical changes could be implemented which would greatly enhance the quality of rural data, contribute to our knowledge base on rural labor market processes, and inform rural public policy. These can often be accomplished without recourse to major new data collection efforts.

- It is time to treat the rural population as a minority group with respect to data collection. National sample surveys, such as the Current Population Survey, should routinely oversample nonmetro and rural areas.

Oversampling will allow for more detailed disaggregations of the rural population and labor force. In regional studies and in labor force analyses of rural racial minorities, this is an especially important issue. Current analysis based on panel surveys, such as the Panel Survey of Income Dynamics, typically suffers from problems of small sample size and sample attrition.

Microdata from the monthly Current Population Survey and decennial Censuses (for example, Public Use Microdata Sample [PUMS]) provide information only on the census-defined nonmetro population. And, for some States, information on the nonmetro and metro components of the population is suppressed because of potential confidentiality problems.

- Greater geographic or spatial detail is needed for the census-defined nonmetro and metro population and labor force.

As the recent work by Fuguitt and his colleagues (1989) indicates, the trends and characteristics of the rural nonmetro population are often very different from those of the urban nonmetro population. At a minimum, some attention should be given to disaggregating the nonmetro and metro population into the official rural and urban components. The nonmetro population is extremely heterogeneous and rural-urban residence often provides an important axis of spatial and social differentiation.

Because of their social and economic diversity, nonmetro areas no longer should be aggregated into an undifferentiated residual category. A full appreciation of rural labor force processes may never be achieved without placing greater emphasis on the collection of data for specific rural labor markets areas. Some progress was made in the 1980's in identifying rural labor markets from the Census' D file of 1980 PUMS (Tolbert and Killian, 1987). In the PUMS-D, each record (roughly 2.2 million of them) contains a geographic code identifying a specific multi-county labor market area, that is, one of 382 based on commuting patterns. Individual records can be aggregated to the labor-market area level and specific analyses can be tailored to meet the specialized needs of the researcher. Multilevel analysis is also possible by linking such specific labor-market indicators as poverty rates to the individual records.

- A critical immediate need is to update the 1980 PUMS-D file with a similar data file based on the 1990 Census results. This 1990 microdata file should include geocodes based on the 1980 labor markets to facilitate comparability with the 1980 PUMS-D, and revised geocodes that reflect the results of the 1990 census (for example, commuting patterns.)

The 1980 PUMS-D data have spawned a number of recent studies that have provided new insights into the operation of specific rural labor markets, especially on issues related to industrial structure and diversity, on gender and racial inequality, and on local employment opportunities and the attainment process (for example, Tickamyer and Bokemeier, 1988; McLaughlin, 1990). A 1990 PUMS-D would yield similar dividends.

On a related issue, we need to reconsider the notion of Nonmetropolitan Statistical Areas. The Census Bureau's Summary Tape Files (STF's) identify only Metropolitan Statistical Areas (MSA's), which are counties aggregated on the basis of function and morphology.

- An evaluation should be made of the use of nonmetro counties or multicounty units as proxies for specific rural labor markets. What characterizes a rural labor market area?

At a minimum, we need to reevaluate the substantive and policy, for example, funding, implications of nonmetro counties being relegated administratively to a "residual" category.

Deindustrialization and restructuring imply that worker displacement will be an increasingly important "transition" in the lives of rural workers. To adequately address substantive and policy questions (for example, how much displacement and why?) will require the kind of panel data on rural workers that is simply unavailable or inadequate at present (see Swaim, 1990).

- Data that accurately track the employment experiences of rural workers will be a priority need for the 1990's. The emphasis should be on the labor force "careers" of rural workers.

For example, the full promise of the Survey of Income and Program Participation (SIPP) has not been realized, in part, because the file structures are extraordinarily complicated, the geographic

identifiers of rural residence are crude, and tracking rural-destination migrants is often impossible. National panel surveys, such as the PSID or NLS, also are often deficient in several respects: small numbers of observations on rural workers, sample attrition, and few labor force measures. One relatively simple strategy is to encourage the creation of a CPS panel that tracks respondents' labor market experiences from month-to-month or from year-to-year.

Finally, any new data-gathering effort should collect detailed information on both employment and marital/family histories. This would allow researchers to identify linkages between changing family status, such as divorce, and the changing economic status and employment circumstances of rural household members. It would also allow some assessment of whether various familial obligations, such as child-care, constrain labor force participation. Such an initiative must also be sensitive to the fact that a significant, and perhaps growing, share of individuals do not reside in family households or even live in housing units, such as the rural homeless.

- New rural labor force data-gathering efforts must be sensitive, both from a substantive and methodological standpoint, to the new family forms in American society and to changes in them.

Conclusion

Over twenty years ago, the President's National Advisory Commission on Rural Poverty issued its famous report titled *The People Left Behind*. At that time, rural people and places were "left behind" economically in a changing national economy. Today, the sectoral transformation of the national and international economy is once again placing rural people on the front line of labor force change. And, once again, rural America seems to be suffering heavy casualties in terms of lost jobs, stagnant wages, and increasing family poverty.

Understanding the interface between demography and the labor force constitutes a research priority for rural America in the 1990's. The next decade of increasing demographic diversity, industrial restructuring, and economic uncertainty is not likely to by-pass rural America. Whether rural America can avoid being left behind in the 1990's will constitute an over-arching research question for the future.

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Demographic Aspects of the Changing Rural Labor Force:

Report from the Work Groups

Molly Sizer Killian

The current situation of the rural labor force is bleak. Slow employment growth, high unemployment, even higher underemployment, unstable jobs with low wages, and increasingly high poverty rates combine to paint a dismal picture of where rural America has been for the last decade.

These indicators of distress are only symptoms of a major restructuring of the American economy. As Dan Lichter points out in his briefing paper, we need to look at what lies underneath these indicators of distress--at the quality of jobs being generated in rural areas, at the changing composition of rural workers, at the structure of the rural families and schools responsible for producing that labor force--if we want to anticipate where rural America is going.

Using Dan's paper as a springboard for discussion, our three workshops identified several additional trends contributing to the current situation of the rural labor force. Many of these trends, if they continue into the 1990's, will only lead to further problems for the rural labor force.

Trend #1: Rural Homes, Urban Jobs?

When rural areas were growing in the 1970's, many families were able to buy houses for the first time. These same rural areas did not do as well in the 1980's and now home owners in lagging rural areas are facing a dilemma. They can't sell their house because no one is moving into the area, and they can't move to the cities where the jobs are because urban housing prices are too high. For many rural workers, the lack of decent employment opportunities close to home, combined with the lack of adequate, affordable housing close to jobs, has meant that they are commuting fairly substantial distances between their rural homes and their urban jobs. If the job opportunities in rural areas remain limited, we can expect to find increasing numbers of rural workers commuting considerable distances for their jobs.¹

Trend #2: Growth of Rural Ghettos?

In his briefing paper, Dan argued that the industrial restructuring of the American economy also entails a spatial restructuring, with low-skilled blue-collar jobs moving from the cities to rural areas, and then from rural areas to overseas locations. Increasingly, the major source of low-skilled jobs, in urban as well as rural areas, is the low-paying, less stable, service sector. As decent jobs for less educated, less skilled workers become harder to find in the cities, there has been an increase in the number of these workers moving back to the rural areas where they grew up. At home, these workers at least have family and friends; they have a house they can live in; and,

¹ At the same time, we hear an increasing number of anecdotes about an opposite trend--the rise of home-based production in rural areas: rural workers, especially women, are doing piecework out of their homes for manufacturers, especially in the textile industry. Evidence of this second trend is limited; however, it too is well worth monitoring, especially since these home-based workers typically are working with few benefits and little job security.

although we don't have any direct measure of this, they likely have access to an informal economy in these smaller towns and rural areas where they may find sporadic, part-time, odd jobs to help put a loaf of bread on the table.

However, if this return migration trend continues, we may find ourselves talking about rural ghettos in the 1990's--pockets of long-term intra- and inter-generational poverty. This trend does not bode well for future generations of the rural work force. As Dan points out, the linkages between economic hardship, and family disorganization may lead to a downward spiral of poverty, low education, and low skills.

Trend #3: Rural Areas Only a Layover on Capital's Trip Overseas?

Footloose industries mean that many rural areas will continue to be faced with a choice between bad jobs and no jobs. This is true not only in terms of wages, but also in terms of occupational and environmental safety regulations. Demands placed on these industries, either by unions or by regulatory agencies, often seem to lead to further capital mobility, with industries moving to Mexico or other countries with a more compliant labor force and less stringent regulations.

Two Approaches to Rural Development

Much of our discussion focused on two approaches for alleviating the problems facing the rural labor force. One involves bringing jobs into rural areas and keeping them there; the other entails bringing rural workers to jobs.

Bringing Jobs to Rural Areas

Two general strategies for bringing jobs to rural areas are: (1) attracting branch plants (typically bottom-of-the-cycle manufacturing) and (2) growing your own jobs (local entrepreneurial development). Each of these strategies for rural job creation has its own set of problems. The lack of ties to the local area can be an important disadvantage of branch plants, since the main attractions of rural areas for branch plants--lower wages, less unionization, cheaper land, lower taxes--are even more attractive in other, less developed countries. The "grow your own jobs" strategy also has significant disadvantages. The typical entrepreneurial firm creates only a limited number of jobs, and, at least in rural areas, can be expected to expand quite slowly.

Regional development, growth poles, coalitions of communities or local businesses represent a third strategy of bringing jobs to rural areas. Although participants in the workshops found the idea of sharing resources and services among smaller communities to be an attractive one, there is little concrete information about how well these development strategies work in terms of generating jobs.

Bringing Rural Workers to Jobs

The success of this approach depends on reducing the spatial and personal barriers to jobs facing rural workers. Reductions in commuting costs, through improved public transportation, better roads, and lower gas prices, can help reduce the spatial barriers facing rural workers. Changes in the jobs themselves, such as shorter workweeks, flexible hours, and telecommuting, represent another way to reduce spatial barriers, especially if we accept the fact that people are going to live in one place and work in another.

A third mechanism for reducing spatial barriers is to increase information about job opportunities in other local labor markets. Most job seekers currently have very limited access to national job information. A final mechanism for reducing spatial barriers is to provide affordable housing close to where the jobs are.

The most widely recognized method of reducing personal barriers to mobility (limitations of the workers themselves) is to raise educational levels. Education increases the worker's access to more and better jobs, almost across the board. But, as we acknowledged again and again in these workshops, educational improvements need to be funded nationally rather than locally. With local funding, there is virtually no incentive to improve the educational system, because the best and the brightest graduates are likely to move, leaving the local area with little payoff to its investment in the educational system. We also talked about the need for better articulation between the curriculums in our schools and what's going on in the economy. Participants in one of the workshops expressed particular concern about how out-of-date the skill training is in some of the Vo-Tech schools.

Finally, in our last session, we did some brainstorming about how to effectively bring workers to jobs, primarily through a personal development strategy of better education and human capital skills. We agreed that this approach will only work if our country starts recognizing that our competitive advantage is one of innovation and technology and advanced human services. Our competitive advantage is not, and should not be, cheap labor. As long as we are trying to compete with other countries on the basis of cheap labor, there is very little hope for rural areas.

More Relevant Concepts and Better Measures

Finally, all three workshops talked about the need for more relevant concepts and for better measures of conditions in rural areas. We need better sampling of nonmetropolitan areas on survey data like the Current Population Survey. We need better data on the characteristics and the organization of local industries. We can't just talk about what's going on with the labor force, we've got to know and have some understanding of what's going on with jobs. And third, given the changing spatial relationships between work and home, the nonmetro county no longer represents a relevant set of job opportunities for rural workers. This means that we not only need different units of analysis, we also need to examine our concepts of rural and urban. Traditionally, "rural" has been defined on the basis of place of residence. But what do we do about the person who lives in a rural area, and commutes to the periphery of a large metropolitan area for work? We may get a very different picture of her social and economic conditions depending on whether we compare her to her neighbors or to her work colleagues.

U.S. Rural Demographic Trends and Issues in International Perspective:

Issue Brief,

Tony Champion

The primary focus of this issue brief is on changing spatial patterns of population distribution. Trends in population composition and the components of population changes (in their broader socio-economic sense as well as the purely demographic components) are treated in a subsidiary (essentially explanatory) role. This course of action has been adopted for several reasons:

- A focus on overall population change is often the best way of raising questions for more detailed investigation;
- In the run-up to the appearance of results from the 1990/91 round of national Censuses, estimates of overall population change provide the main method for monitoring rural demographic trends;
- At any time, international comparisons of spatial population trends pose more than enough research challenges.

The brief takes, as its starting point, the recent observations of Beale (1988), Frey and Speare (1991), Fuguitt, Brown, and Beale (1989), Johnson (1989), Morrison (1990), Starsinic and Forstall (1989) among others that the 1980's were not like the 1970's and may indeed turn out to have been quite like the 1960's, which raises the question: has the worm turned? The rural demographic scene seems to have been passing through a period of great flux, consistently managing to confound the forecasters. Questions which spring immediately to mind are:

- Has rural America begun to pass out of this period of flux into quieter and more easily charted waters?
- Is it really true that the pre-1970's rural scene traced pretty consistent rates of population change, with only minor temporal fluctuations in migration rates?
- To what extent can the experience of the last 25 years be interpreted as a cyclic pattern superimposed on an identifiable longer-term trend (which itself may not be multi-directional)?

The specific aim of this brief is to try and shed light on this broad subject by reference to international experience. Justification for this approach can be found in the fact that the rural population turnaround of the 1970's was by no means confined to the United States, but has been identified in most of the more developed capitalist world, admittedly in a variety of guises and a confusing range of terminologies (for example, the metropolitan migration turnaround and counterurbanization). Moreover, Western Europe, other parts of the New World, and even Japan appear to have shared other trends in socio-demographic composition, economic restructuring, and political ideology, suggesting the likelihood of some degree of communality in current developments.

A traditional stumbling-block is that the United States has tended to be the pioneer of new trends, so that it is easier to use the 1980's experience of the United States to anticipate the events of the 1990's elsewhere, rather than the other way around. This could be considered particularly the case in relation to Western Europe, where the introduction of the Single European Market ('1992'), the reform of agricultural policy and the removal of the Iron Curtain would appear to be making Europe look increasingly like the United States. But this, in itself, suggests that the benefits to be gained from comparative international research for insights into rural America may grow substantially over the next few years.

The goal of the rest of this brief, therefore, is to consider the possibilities of using an international research perspective (either by synthesizing the results of foreign research or by setting up cross-national research programs) to provide a better understanding of demographic trends in rural America and where they are headed. There are four objectives:

- To summarize the results of recent research which has monitored rural population trends in other countries.
- To provide a short state-of-the-art review of the research literature which attempts to explain these trends.
- To identify information gaps and unresolved and/or methodological issues.
- To propose a list of priority issues for research during the 1990's--perhaps one that will be contentious enough to provoke some fundamental discussion and hopefully reveal a good degree of consensus!

Urbanization and Counterurbanization in the 1970's and 1980's

The following review of international trends indicates that the United States' experience of slower nonmetropolitan and rural growth in the 1980's is by no means unique.

The U.S. experience is assumed to be along the following lines:

- The 1970's was characterized by a turnaround in net migration flows at the metropolitan/nonmetropolitan scale in favor of the latter, so that deconcentration was observed at all three basic spatial scales--regional, intermediate, and local (city-suburb).
- The 1980's saw a deceleration of the deconcentration tendency, whereby the metropolitan areas resumed above-average growth and the regional shift from Northeast to South and West slowed.
- The reversal of the turnaround, or the turn-back-around, appears to have deepened in the latter half of the 1980's and, as far as the rural scene is concerned, seems to have been caused by trends relating to agriculture, mining and manufacturing--but not recreation and retirement.

Few other countries use officially defined metropolitan areas for monitoring population trends but, from the available evidence, it would appear that most of the other countries in the more developed capitalist world have paralleled the U.S. experience of the last two decades:

- According to Cochrane and Vining (1988) most of these countries have followed one of three models of core-periphery population development since the 1950's, but these models are distinguishable principally on the basis of their initial rates of core-periphery change rather than their more recent trends. The "Northwest Europe" and "Periphery of West Europe, and Japan" models both share the same recent trends as the "North America" model, with upward shift in periphery growth rate in the late 1960's and 1970's and with a downward shift setting in towards the end of the 1970's (fig. 1).
- Updating the work of Fielding (1982) which revealed a widespread shift towards counterurbanization in Western Europe.

Data from between the 1960's and 1970, in table 1 (next page) shows that more countries were experiencing urbanization (signified by '+' coefficients) in the 1980's than the 1970's. Even more countries saw a shift in trend in that direction between the two decades ('+' in the first 'shift' column) and that these changes accelerated during the 1980's (last three columns).

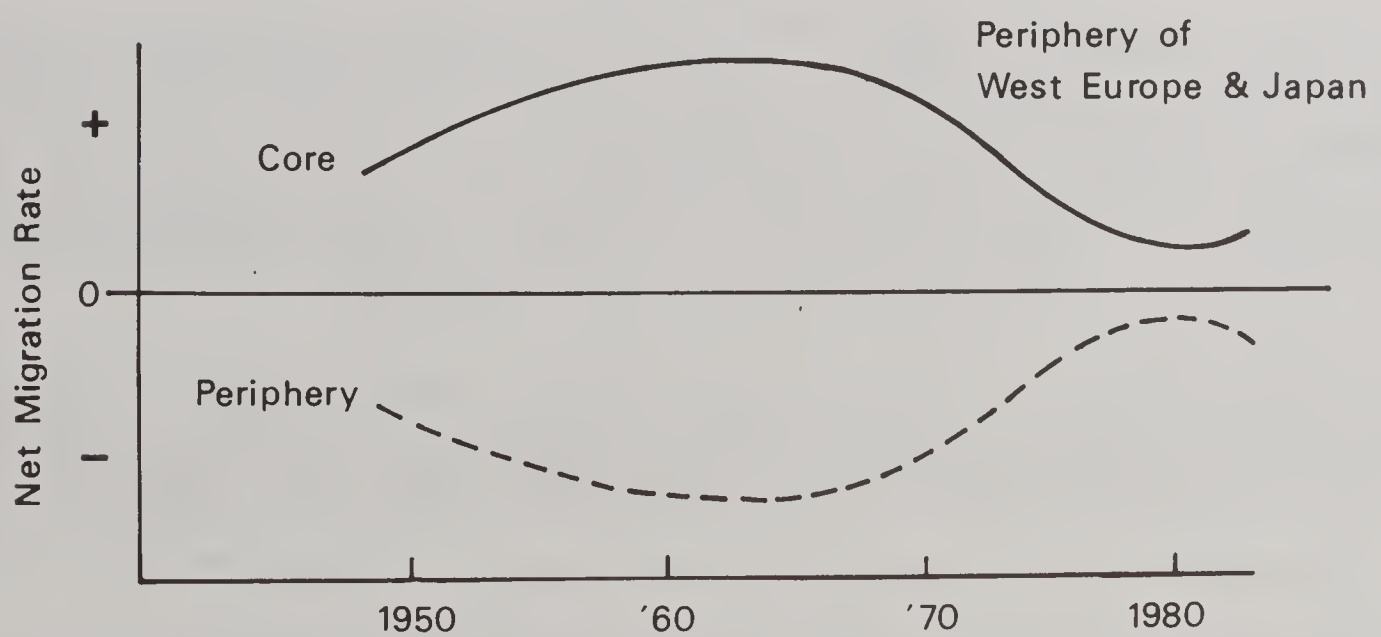
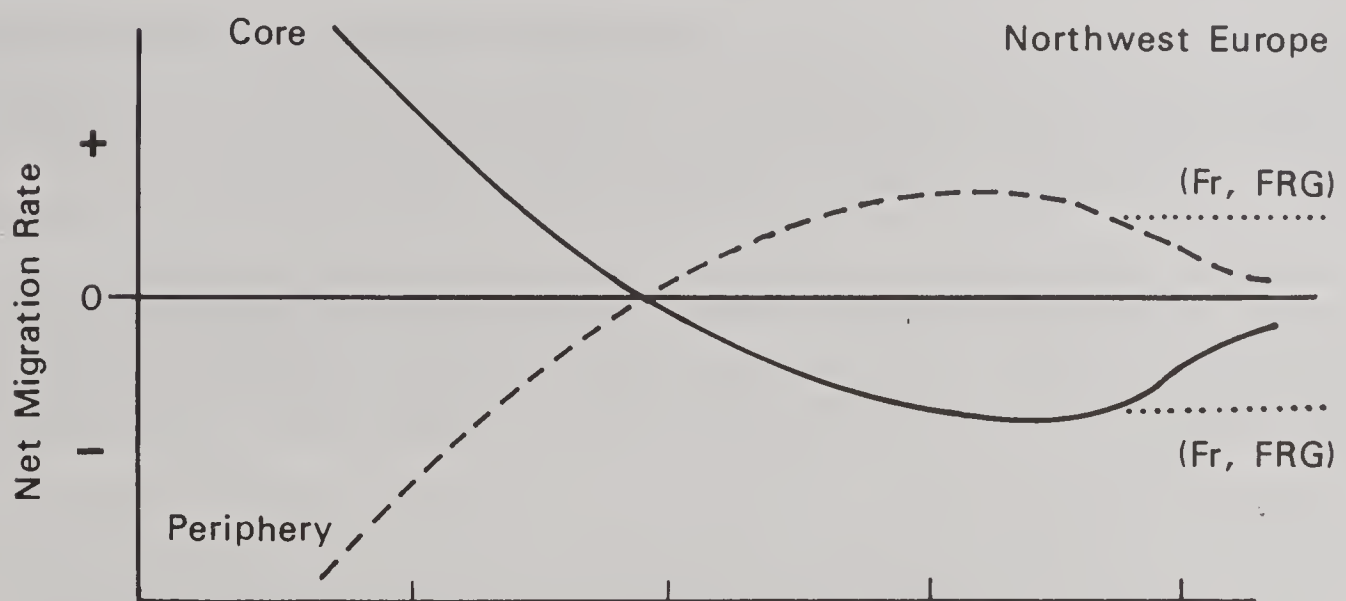
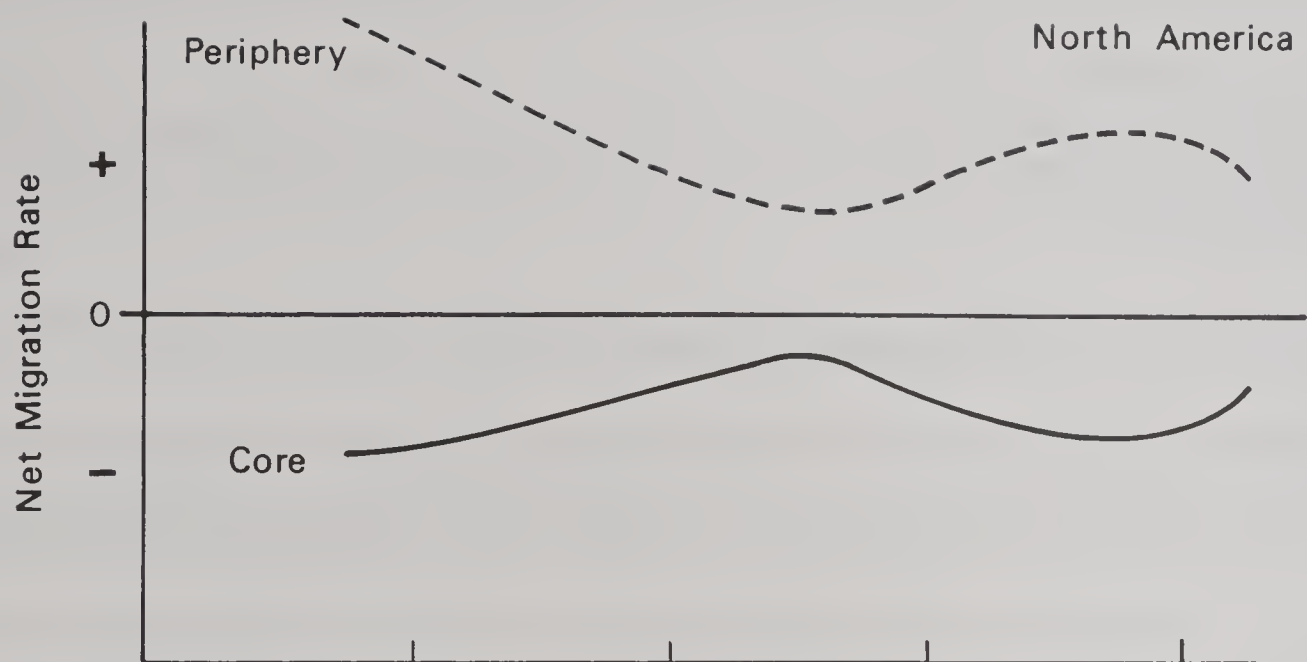
Table 1--National trends in urbanization and counterurbanization in the 1970's and 1980's for selected European countries

| Country (number of regions) | 1970's | 1980's | Shift | 1980-84 | 1984-88 | Shift |
|--------------------------------------|--------------------|--------|-------|---------|---------|-------|
| Austria (16, 8) | +0.38 | +0.01 | - | -0.25 | +0.47 | + |
| Belgium (9) | -0.36 | -0.44 | - | -0.49 | +0.33 | + |
| Denmark (11) | -0.79 | -0.01 | + | -0.04 | -0.16 | - |
| Finland (12) | -- | +0.69 | ? | +0.51 | +0.80 | + |
| France (22) | -0.26 | -0.36 | - | -0.33 | -0.31 | nc |
| Federal Republic of Germany (30, 12) | -0.29 | -- | ? | -0.63 | -0.08 | + |
| Ireland (9) | +0.43 | -0.35 | - | -- | -- | -- |
| Italy (13, 20) | +0.12 | -0.21 | - | -0.16 | -0.33 | - |
| Netherlands (11) | -0.83 | +0.12 | + | -0.24 | +0.46 | + |
| Norway (8) | +0.21 | +0.69 | + | -- | -- | -- |
| Portugal (17) | +0.36 | +0.52 | + | +0.39 | +0.53 | + |
| Sweden (12, 24) | -0.26 | +0.35 | + | -0.51 | -0.06 | + |
| Switzerland (11) | -0.49 ¹ | -- | ? | -0.51 | -0.06 | + |

Notes: Data are correlation coefficients of relationship between net migration rate and population density; in the "shift" column, a + means a shift toward urbanization and a - means a shift towards counterurbanization. Also note that the correlation coefficients should be interpreted with care because their significance level depends on the number of regions.

¹ Data is for population change, not migration.

Source: Compiled from Fielding 1982, 1986, 1989, and from calculations from data supplied to the author by national statistical agencies.



Nevertheless, there are signs of considerable variation between national experiences as shown in table 1. The collection of case studies in Champion (1989) provides further evidence of this, for instance:

- In Norway, the most peripheral region (North) resumed large net migration losses at the beginning of the 1980's, while the core region (East) saw a parallel acceleration in net immigration.
- In the Federal Republic of Germany, the counterurbanization trend was running more strongly in the first half of the 1980's than the 1970's for most age groups.
- In the United Kingdom, the rate of population growth in less urbanized areas slowed after 1974, but began to recover by the mid-1980's, with particularly strong growth in the 'resort/retirement' and more remote rural districts in the southern half of the country.
- In Japan, the share of inter-prefectural migration moving from metropolitan to nonmetropolitan areas peaked in the mid-1970's, but the proportion moving within the nonmetropolitan regions continued to grow into the 1980's.
- In Australia, the number of nonmetropolitan Local Government Areas (LGA's) which declined in 1981-86 after growing in 1976-81 (82) was almost identical to the number which recorded decline, then growth (80); while among the LGA's which grew in both periods, more recorded a growth slowdown (222) than an acceleration (170).

Clearly, diversity of experiences in the 1980's is found not only among countries but also within them, as is the case for the United States. This contrasts with the rather general swing towards faster nonmetro growth in the 1970's, but--along with the temporal changes of the past 20 years--it raises not only a greater challenge for forecasters but also offers greater opportunities for explanation.

The Search for a Better Understanding of Rural Population Trends

Less than ten years ago, it was being suggested confidently in many quarters, that the early 1970's rural population turnaround heralded a new era in settlement patterns associated with the transformation from an industrial to some form of post-industrial society. Now, at the beginning of the 1990's, the situation appears much less straightforward. In these circumstances, it is instructive to examine the international debate over the nature and significance of the recent developments, because this has at least begun to clarify the alternative hypotheses--ready for further research to test them and measure their relative importance.

By way of context, it is instructive to itemize the individual arguments which were put forward to account for the rural population turnaround in the first place. A review of 9 national case studies (Champion, 1989) identified no less than 17 separate lines of explanation, as follows:

- The expansion of commuting fields around employment centers.
- The emergence of scale diseconomies and social problems in large cities.
- The concentration of rural population into local urban centers.
- The reduction in the stock of potential outmigrants living in rural areas.

- The availability of government subsidies for rural activities.
- The growth of employment in particular localized industries like mining, defense, and tourism.
- The restructuring of the manufacturing industry and the associated growth of branch plants.
- Improvements in transport and communications technology.
- The improvement of education, health care, and other infrastructure in rural areas.
- The growth of employment in the public sector and personal services.
- The success of explicitly spatial government policies.
- The growth of state welfare payments, private pensions, and other benefits.
- The acceleration of retirement migration.
- The change in residential preferences of working-age people and entrepreneurs.
- Changes in age structure and in household size and composition.
- The effect of economic recession on rural-urban and return migration.
- The first round in a new cyclic pattern of capital investment in property and business.

It would now appear necessary to check whether all of these are the powerful forces for population deconcentration that their various proponents have maintained. It is also necessary to discover whether any of these have changed in their nature between the 1970's and the 1980's in such a way as to have offset the overall balance towards deconcentration.

One approach to understanding the trends of the last two decades is to view the counterurbanization of the 1970's as a temporary anomaly arising from a chance combination of factors which is unlikely to recur--the "period explanation" in Frey's (1987) terminology. Possible candidates from the above list of separate explanations could perhaps include a once-and-for-all extension of commuting fields due to a major program of highway construction, the reduction of urban-rural contrasts in service provisions (for example, colleges and hospitals), a particular phase of strong demand for agricultural products, minerals and energy resources, the last fling of the Fordist era in the manufacturing sector, and the shift to a new higher proportion of mobile elderly people as a result of greater health and wealth. A more sophisticated version of this approach suggests that, rather than constituting a once-and-for-all development or being essentially random in timing, the period effects are cyclic in their behavior (Berry, 1988). Examples of possible factors under this heading include:

- Economic conditions and associated building cycles, related to income growth and the availability and cost of house-mortgage credit.
- Changes in age-group sizes resulting from past fluctuations in birthrate, with larger numbers in family-building ages and engaged in suburbanization/counterurbanization more at certain times than at other times.

- Longer-term (Kondratieff) cycles of innovation, economic development and industrial restructuring, leading to new patterns of economic activity and population responses through internal and/or international migration.

At the same time, neither of these approaches is incompatible with the concept of a transition from urbanization towards counterurbanization over the longer term. The cyclic pattern, just mentioned, could be superimposed on a general tendency towards deconcentration just as much as on a centripetal trend. In relation to the pure "period explanation," it could be suggested that, rather than the 1970's constituting the anomaly, it might be that the 1980's "turn-back-around" is no more than a short-term downward flexure in the new general pattern of deconcentration.

Two frameworks have been provided by the international literature to provide a more coherent interpretation. One is that developed by Frey, who--besides the "period explanation"--puts forward these two fundamental explanations for population change:

- Population deconcentration involving a shift from larger cities and more heavily urbanized regions to less densely populated areas and down the metropolitan/urban hierarchy.
- Regional restructuring referring to shifts in the space-economy as it adjusts to the new spatial requirements of production.

The other framework, put forward by Champion and Illeris (1990), recognizes the existence of three distinct sets of factors:

- Forces operating over the longer term in favor of deconcentration, such as the improvement of transport and communications, the more dispersed distribution of educational and other facilities, and the growth of tourism and outdoor recreation.
- Forces pulling towards greater concentration, such as the growth of business services, corporate headquarters, and other activities requiring a high level of national and international accessibility and a large supply of highly qualified manpower.
- Forces which may have different geographical effects at different times, depending on the prevailing circumstances; for instance, an increase in public-service provision at one time followed by a contraction, or demographic changes involving a large bulge in school-leavers at one time and a boom in family rearing somewhat later.

With the centrifugal and centripetal forces likely to fluctuate in strength, these three groups of factors can be expected to produce considerable variations in rates of nonmetropolitan growth over time.

Information Gaps and Methodological Issues

The above review of recent trends and the alternative explanations of them raise a wide range of research questions which need to be addressed in order to obtain a better understanding of the factors affecting rural population trends in the more advanced Western World. Before going into more detail, three general observations seem to arise from this review and should perhaps guide our approach in future research:

- The changing fortunes of rural areas do not take place in isolation, but to a considerable extent are linked to developments elsewhere, whether in terms of national or global economies or reflecting changes in metropolitan areas and the urban settlement system.
- The events of the 1980's provide a significant contrast to the trends of the 1970's and, whether or not they form part of some cyclic process, these events could well provide a clearer idea of the real nature and significance of the earlier experience as well as the experiences of the 1980's.
- Many countries appear to have shared a similar experience over the last two decades, but there may be even more to gain from comparative research on countries which have followed significantly different trends.

In looking towards the specific information gaps, one major priority is going to be the better documentation of the actual trends of the past decade. So far, the best data in most countries comprise local-level (municipality) estimates of total population, usually with breakdowns by sex and broad age groups. The 1990/91 round of Censuses will provide an accurate check on these estimates--at least, hopefully, once problems of under-enumeration are resolved--as well as providing more detail about the changes in population characteristics over the previous decades. Along with vital-event registration data, net migration calculations by the residual method, and direct Census counts of migrants, this work should lead to a much-needed demographic accounting of recent changes and provide a valuable data bank to be drawn upon for hypothesis-testing.

This descriptive work, however, is not as straightforward as it sounds and contains a variety of pitfalls for the unwary:

- Problems of interpreting official definitions and measurements of population in an increasingly mobile society--such as the challenges posed by second homes, seasonal migration, and so forth, which can be highly significant phenomena in certain rural areas.
- The illusion of "distinctive decades" which results from Census-based analyses--requiring more effort at interpolating annual trends (for example, through backward projection and through prediction of local characteristics from national sample surveys).
- The confusion over definitions and terminology, which plagues international comparisons but is equally challenging for studies of individual countries--such as rural/urbanized zones, nonmetro/metro areas, core/periphery regions (and not only the boundary within each dichotomy, but also the relationship between the pairs of definitions).

At the same time, it is important to recognize that these procedural problems are not purely methodological, but are ultimately conceptual. They cannot be resolved fully until the nature of the phenomenon under study is properly known, or at least until it is set explicitly into a hypothetical statement.

As regards substantive research questions, the foregoing review provides both a long list of individual explanations of rural growth rates and a series of alternative perspectives on population redistribution trends. All these constitute valid topics for further investigation, but perhaps some are more crucial in relation to anticipating developments over the next few years:

- The role of pure demographics, such as the effect of trends in births, deaths, and international migration in producing nonmetro/metro differences in population change

rate; the effect of changes in population structure (for example, by age, income, ethnicity, household size, and composition) on internal migration patterns (that is, holding constant the migration behavior of each specific subgroup). Is there a significant role? Does this provide a starting point for projecting trends through the 1990's?

- The question of residential preferences. This factor was given particular attention in the early counterurbanization literature, albeit in the context of winning the war against the tyranny of distance through improved communications, and so forth. If the migration behavior of individual population subgroups has altered over time, how far does this reflect changes in preferences as opposed to changes in people's ability to realize them?
- The part played by change in the strength of forces influencing the extent to which people can realize their residential preferences--a range of possible factors including the buoyancy of the housing market (such as affecting the ability of retired people to sell up and move), the general economic prospects (such as affecting people's confidence in buying new homes and/or shifting jobs), and the labor market situation (such as whether a sellers' market in jobs forces employers to follow labor).
- The role of new technology in loosening the constraints of location for both residents and employers--again, a range of aspects including the effect of gadgetry and supporting services on increasing household self-sufficiency (freezers, washers, TV/video, the "University of the Air," mail-order) and the take-up of teleworking. But also note the high infrastructural costs of fiber-optic links and the general concentration of organizational power permitted by improved communications.
- The evolution of more dispersed, multi-nodal settlement networks, which can serve to extend the range of metropolitan-type services deeper into rural areas, or assist the welding of formerly separate and rather isolated rural settlements into more coherent communities which are thereby more attractive to both residents and business.
- The whole area of economic development and restructuring, including the changes taking place in the main production sectors represented in rural areas, the indirect (multiplier) effects of these and of other population changes (such as retirement and recreation) that are captured by rural areas, and the extent to which the restructuring of export-orientated manufacturing and services is affecting rural areas. How far can these effects be quantified for the past? How accurately can they be predicted for the future under particular assumptions of demand? How confident can we be in those assumptions? Is there some underlying mechanism, such as cyclic behavior?
- Last, but probably not least, the role played by the public sector--considered highly significant in the 1970's (highway construction, rural colleges, defense projects, welfare schemes) and no doubt equally important in terms of the contraction of publicly financed programs in the 1980's. Also the geographical side-effects of non-spatial policies. And the achievements of the various economic developments initiatives adopted by state/local government and/or private enterprise.

Priorities for Demographic Research

The above list of information needs is not exhaustive, but is large enough to demonstrate that the successful understanding of recent population changes in rural America and the anticipation of

their future trajectory requires a wider remit than "demography" and "rural areas." Nevertheless, it is also clear that population studies have a vital contribution to make.

In order to initiate discussion, the following priorities for population-orientated research are proposed:

- The better documentation of the pure demographics of the 1980's, drawing comparisons with the 1970's, but making a conscious attempt to escape from the decade-based frame of Census analysis.
- The detailed analysis of trends in the migration behavior of population subgroups, primarily using Census-based comparison of area-to-area flows for 1965-70, 1975-80, and 1985-90, but supplemented by survey-based evidence of broader trends in migration propensities.
- The use of general survey and/or special studies to probe the more qualitative aspects of migration behavior, especially in relation to residential preferences and movement aspirations and the factors affecting the way in which their realization varies between subgroups and according to the conditions prevailing at particular periods and locations.
- The fuller investigation of the linkages between population changes (especially migration) and employment change, including the way in which the nature of labor demand is altering and the extent to which employers are forced to seek out labor rather than rely on supply responses through migration, and so forth.
- Closer examination of the way in which both metropolitan peripheries and rural settlement systems are evolving, including the extent to which intra-urban employment decentralization widens metropolitan commutersheds, and the way in which increased "home self-containment" and easier local travel affects quality of life and the effective "mass" within essentially rural territory.
- An extended historical perspective on recent trends, incorporating an explanatory approach that investigates the role of long wave economic cycles in order to isolate any trend of an even longer-term nature that could be associated with a settlement pattern transition from industrial to post-industrial eras.

These suggestions are made by an outside observer who would like to know more about recent developments in rural America and their implications for the future--for the primary purpose of understanding better what is happening in the United Kingdom and the rest of Western Europe. Based on a review of the international scene, answers to these questions would seem to be needed urgently, if the governmental response to the current, very real rural problems is going to adopt the most cost-effective approach. In relating the above list to the American scene, however, it is recognized that studies may already have progressed further here than in other countries, requiring a change of emphasis in terms of future research priorities.

By way of conclusion, it is important to stress that the U.S. experience of the last two decades has been paralleled in many other countries. This being so, research on the changing situation in rural America will play a crucial role in achieving a better understanding of recent developments and future prospects in Europe and elsewhere, particularly if attention is focused on the underlying processes at work. Equally, comparative international research should also be able to inform studies of rural America, not only by comparisons with countries with similar trends, but

possibly even more usefully by reference to countries which deviate from these trends and which may have other distinctive features which can account for these deviations.

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sub U.S. Rural Demographic Trends and Issues in International Perspective:

Issue Brief //

John Agnew

The purpose of this issue brief is to identify some of the major priority issues for research on rural population change that are emerging outside the United States, particularly in Europe, and that may be relevant to deepening understanding of recent U.S. rural demographic trends and their socio-economic consequences. One important research issue in its own right concerns the extent to which the American experience is distinctive or is now part of a world-wide process of population redistribution. The increasing globalization of the U.S. economy suggests that the U.S. will be less insulated than in the past from external pressures and, thus, may be increasingly subject to the forces affecting rural areas elsewhere. Trends elsewhere, therefore, especially in those world regions with similar levels of economic development, should be of increasing interest to students of U.S. rural demographic change.

I have identified in the recent literature eight issue areas in which research is underway but in which progress could be made in the 1990's. The order in which the issue areas are presented reflects a tentative ranking of their theoretical and policy significance largely in terms of generality versus specificity.

A persisting theme in the literature is discussion of the meaningfulness of the terms rural and urban in the late 20th century. In particular, there is a powerful critique of the idea of rural society as a separable entity. Consequently, in much social science the rural appears either as a residual category, equivalent to the non-urban, or as areas of low population density in which at least some of the population is engaged in agriculture. Increasingly, rural demographic trends are not treated separately from population trends in general but as part of more holistic studies of population redistribution. In addition, rural areas are increasingly viewed in terms of their functional links rather than their formal or area-wide characteristics. This reinforces a focus on the changing and dynamic rather than static nature of rurality. However, there are major methodological problems involved in measuring functional links, not the least of which is the availability of suitable data. Moreover, in many countries, the rural is still an important term in political discourse where it is closely associated with family farming and long-established images of peasant virtue, whatever the sociological reality. In this political context it is difficult to redefine rural areas in functional terms (see, for example, Bodiguel, 1986).

The major intellectual framework for situating rural population change in a wider context has been the so-called counterurbanization debate. This has involved attempts at finding evidence for the revival of rural population growth and then providing some explanation for its presence or absence. Initially noted for the United States by Calvin Beale, the rural population turnaround was identified in the 1970's in a number of economically developed countries. The reversal of population movement and growth was explained largely in terms of the emergence of a post-industrial society in which there were fewer economic returns to population agglomeration. For reasons of amenity and avoidance of congestion people could now live and work away from large urban areas. Urbanization and suburbanization were being replaced by counterurbanization.

Since the 1970's, however, population deconcentration of the type associated with the term counterurbanization has slowed in some countries and reversed in others. As with the initial discovery of the rural population turnaround, the first reports of a new reversal came from the United States (Engels and Healey, 1979; Richter, 1985). But they were followed quickly by similar reports from elsewhere (for example, Champion, 1981; see also, Cochrane and Vining, 1986; Illeris, 1988).

The picture today is an exceedingly complex one. United States census data of 1990 suggest that rural counties bordering metropolitan areas grew relatively faster than other units in the 1980's, and approximately twice as fast as more distant rural counties. This is more like sub-suburbanization than counterurbanization in the usual sense of the term. European studies of the 1980's suggest that counterurbanization, in the sense of a strong negative correlation between size of settlement and population growth, is only one form of a much more spatially complex population dispersal taking place since the 1970's.

There remain a number of persisting conceptual and methodological problems within the counterurbanization debate. First, results vary in terms of the scale of analysis. In Italy, for example, there are profound and continuing differences at the regional scale between North and South (Dematteis and Petsimeris, 1989). The logic of the counterurbanization argument never did fit the South. Second, there are differences between countries in the extent and timing of both counterurbanization and its reversal that are as yet unexplained. There is some suggestion that the phenomenon was at least, in part, related to shifts in petroleum prices, but this hypothesis has not been closely examined. Third, the counterurbanization process, as argued by Champion (1989), needs to be placed in a theoretical framework that emphasizes both cyclical and structural change in the fortunes of different categories of settlement rather than in one or the other. Fourth, the debate on population redistribution is now extending beyond the confines of counterurbanization as such and stands in need of renaming. Fifth, the spatial units adopted to define the areas used in research vary widely across countries and thus limit the possibility of making valid comparisons. Indeed, from one point of view the entire debate often comes down to the meaningfulness of the data units adopted in research and the general lack of equivalency across countries.

However problematic in other respects, the counterurbanization debate has provided considerable evidence that population deconcentration in general, if not of a specific form, is a trend characteristic of many industrialized countries. In some countries, such as Italy and France, this trend is highly correlated with the growth of manufacturing industry in rural areas and the creation of what is called an urbanized countryside in Italy. A good example is along the main highway from Florence to the Tyrrhenian Sea. A new settlement system seems to be under construction in some countries. Specialized industrial districts based upon small firms and small units of production at low density are tied functionally to traditional urban centers in which marketing and major service activities are located. What is not clear as yet is how physically divided from existing population concentrations these areas will remain and whether this pattern of rural industrialization is specific to certain social worlds (in Italy, there is, for example, a high positive association with certain types of extended family structure and local government policy; Becattini, 1987) and not likely to develop readily elsewhere. In France, the decentralization of industry has been most marked within the Paris Basin rather than in more peripheral rural areas and the main actors have been large rather than small firms (Winchester and Ogden, 1989). Rural industrialization, therefore, is not the same phenomenon everywhere and its effect on rural areas is consequently likely to differ.

At one time it was an assumption of students of regional development that regional differences in economic structure and growth would lessen over time as economic activities were reallocated

from more to less expensive regions. However, in many industrialized countries regional differences have been increasing rather than decreasing (Krebs, 1982; Phillips 1990). In consequence, rural areas in lagging regions can be expected to show different economic and demographic characteristics from those in leading regions. In the United States these differences are well documented (for example, Fuguitt, Brown, and Beale, 1989), as they are in Britain (Champion and others, 1987). But, as yet, little research has attempted to tie these rural differences to causes of regional diversity, such as investment in infrastructure, patterns of urbanization, and relations to the world economy (but for an example of research on the two ruralities of northern and southern Italy, see Barberis and Dell Angelo, 1988).

Even as some rural areas were experiencing counterurbanization others were faced by large-scale depopulation as younger people left but were not replaced by new immigrants. In large parts of interior Spain, for example, rural population has been declining for the past twenty years (Sauvy, 1987). Likewise, in many of the more mountainous regions of Western Europe rural populations have been aging at much faster rates than national averages (Estienne, 1988). It remains to be seen how widespread and permanent these trends will remain. In particular, the tremendous growth in second-home ownership and the politicization of populations in many peripheral areas (such as Wales and Scotland) may presage the beginning of population stabilization in areas of previous depopulation.

The recent political changes in Eastern Europe and the Soviet Union, the growth of the European Community as an integrated area with relatively free movement of labor within its boundaries, and the rapid increase in the rural populations of poor countries adjacent to the United States and Western Europe, are all likely to increase the number of potential rural to urban migrants in the 1990's for Western Europe and the United States. In this scenario there are three rural peripheries for Europe (the European Community periphery itself, Eastern Europe, and Northern Africa) and at least one (Latin America) for the United States. The removal of old barriers to movement and the creation of new ones will produce in the 1990's new patterns of migration that will at the very least put into question established assumptions about origins and destinations. But, as Alonso noted (1991: 9):

migration is not simply someone picking up and moving elsewhere, but a complex convection flow of departures, visits, and returns; of communities sustained over space and time; of networks of family and experiences. For this reason, not only will the cities of the center undergo change from the mixed blessings of hosting migrants from the periphery, but the periphery itself will be changed because of its closer contacts with the center.

Rural areas within Western Europe and the United States will be affected in a number of ways. First, they will perhaps become host to distinctive populations. Second, and more likely given the history of migration flows, their populations will be faced with increased competition for jobs in urban areas and for available national government expenditures on welfare and other services.

In many circles, including political ones, there is a strong association often made between the rural and the agricultural. Yet, in the contemporary United States the non-agricultural part of the rural population is over 90 percent. In some other countries, however, the farming population is a much higher relative proportion of the total rural population. In France, for example, farmers constituted over 21 percent of the rural population in 1982 (Bodiguel, 1986: 148). There is some suggestion that this type of difference can be traced to the survival of the family farm versus the penetration of agribusiness. But there has been little or no systematic international comparison on which to base appropriate inferences. In some European countries farming also survives as an important part-time activity for many people who are also engaged in

part-time or full-time manufacturing and service employment. This is also the case in the United States, but the relative magnitudes are unknown.

The fear, for economic and political reasons, of losing farming populations, the relatively high levels of economic deprivation in rural areas, and the higher costs associated with providing services in rural areas, have led to government policies in many countries designed to help rural populations. There are, perhaps, four major policy areas: (1) farm price and agricultural extension policies; (2) infrastructure policies; (3) individual welfare policies; and (4) regional or spatial development policies. Many of these are now under pressure because of the fiscal problems of governments, GATT negotiations, the increasing popularity to governments of privatization of services, and the connection between some of these policies and political clientelism. A major research agenda should include attention to the consequences for rural populations of changes in these policy areas. Many of the most important European studies are now seriously out of date (for example, Yuill and others, 1983; Pinder, 1983; Bowler, 1985). However, it seems clear that much of the empirical basis to European writing about the new rurality and the purported decline in the association between rurality and underdevelopment since the 1960's owes much to the success of various government policies over the past twenty years (for example, Barberis and Dell Angelo, 1988). What is less clear is the extent to which the progress and problems of American rural areas can be tied to government policies of one kind or another. One obvious difference between Western Europe and the United States lies in the open commitment of most European governments to the principle of universality in access to basic public services irrespective of location and the use of spatial policies that discriminate in favor of disadvantaged areas to achieve this goal.

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Summary

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This conference brought demographers together with people from related disciplines to explore the current relationships between broad economic change and rural demographic change. The globalization of markets, the reorganization of industries, particularly manufacturing, and other economic transformations of the past decade have clearly had different spatial consequences than those forces associated with the population decentralization of the 1970's. While demographers appeared to have a grasp on the rural and urban trends of the 1970's, current trends have proven more elusive. Moreover, many apparent explanations of the population diffusion of the 1970's were largely negated by the subsequent concentration of economic activities and population into urban areas (Wardwell, 1980). We felt that there was a need to rethink our understanding of broad economic forces affecting rural demography and, at the same time, begin to explore the possible influence of demographics on the rural unfolding of the broader economic forces. We hope that this conference will stimulate demographic research on the consequences of global and domestic economic change for rural populations in the United States and other industrialized countries.

Our need to understand the current relationships between broad economic forces and rural demographics is more than academic. To date, these trends appear to have had a deleterious effect on populations located in small towns and open country areas. The ratio of nonmetropolitan to metropolitan income declined in the 1980's for the first time since at least the 1920's (McGranahan, 1992). Over half of nonmetropolitan counties lost population between 1980 and 1990. In many areas, the loss was most pronounced among the young and highly educated, and the growth in the college-educated population was disproportionately slow in rural areas. By 1990, the proportion of adults with a college education was nearly twice as high in metro areas (22.5 percent) compared to nonmetro areas (12.9 percent). Poverty rates were higher in rural areas at the end of the decade than at the beginning, and the rural-urban gap increased, partly because of a rapid rural growth in single-parent families. Much of the problem can be tied to a deterioration of opportunities in rural labor markets (Gorham; Lichter; also see Bird, 1990; McGranahan and Ghelfi, 1991).²

With the broad spectrum of disciplines and interests present at the Conference and the complex nature of its subject, no summary of its papers and discussions would be satisfactory to everyone. There were an extremely large number of ideas put forth and each person undoubtedly came away with a different perception of what the most important ideas were. Nevertheless, we feel that there were three broad questions that were either new to this decade or being raised in a sufficiently new context to represent new lines of inquiry. The first question is the nature of the broad forces shaping the spatial organization of the population and its subpopulations, forces which are not only related to industrial structure but to public policy and demographic change as well.

The second question is whether the ways in which we think of spatial organization (such as city, suburb, surrounding countryside) remain adequate for capturing the emerging geography of economic activities and population settlement. New concepts such as edge cities and new

¹ With thanks to David L. Brown for his helpful comments.

² Names in parentheses without a citation year refer to authored sections within these Proceedings.

delineations such as labor market areas have been developed in the past decade which may be of considerable use in our attempts to understand rural demography.

The final question is the analytic meaning that we attach to rural. If rural once meant farm and much of rural demography focused on the population related to farming, this is clearly no longer true. At the same time, it is not clear that the analysis of rural populations--of rural family structure, for instance--can be reduced to the study of people who happen to live in rural places. If there is analytic meaning to rural, what is this meaning?

Broad Forces of Change

A central organizing rationale for the conference was the need to incorporate an understanding of broad economic forces in the analysis of rural demographic trends. These forces and their spatial implications were central to many of the presentations and discussions at the conference. At the same time, it was clear that these forces constituted only one aspect of the evolving national and international context.

The globalization of markets and rapid changes in technology during the 1980's both heightened international competition and created new opportunities. U.S. imports of manufactured goods were considerably higher at the end of the decade than at the beginning, but exports were up as well. Within the increasingly global marketplace, the U.S. competitive advantage has been in innovation and technology and producer services rather than in low-wage production (Killian). Hi-tech flourished in the widening markets while low-tech struggled, a duality reflected in a rise in managerial and research jobs in manufacturing during the decade and a decline in blue-collar manufacturing jobs. This shift did not begin with the 1980's. Galston captures the long-term aspect most vividly in his reference to the change from material-producing to information-producing activities.

The high-tech, high innovation "New Economy" of the 1980's was an urban economy, requiring access to information and highly specialized services. Earnings rose for the better-educated in urban, but not in rural areas, over the decade. At least in part as a result, the net movement of the better-educated from rural to urban areas during the decade was sufficient to increase the rural-urban education gap (McGranahan and Ghelfi, 1991). The less-educated rural worker, like the urban counterpart, earned less at the end than at the beginning of the decade (Gorham).

Some of the forces acting to centralize the economy were clearly economic or related to industrial organization, but the conference made clear that other factors reinforced this tendency. One of these centralizing factors was political. Christopherson saw a change in U.S. Government policy, away from universal services, social welfare, and regulatory structure. Reduced federal Government spending and deregulation of services reinforced the centralizing effects of the new economy on rural areas. Using as an example the aid given to agriculture, even as it is a shrinking "representer" of rural America, Galston stated that Government policies targeting institutions rather than communities have contributed to the reemergence of rural disadvantage.

Withdrawal both of federal influence on local policy and of federal funds from States encouraged a more efficient investment of limited funds, and rural and inner city investment was usually less efficient. Similarly, deregulation of basic services, such as transportation and communication, allowed businesses to place investments in these services where the most infrastructure already existed. The inner city and rural areas fared most poorly in the newly deregulated environment, while suburban nodes, generally less regulated and more open than inner cities, expanded. For isolated rural areas, the effect was further isolation.

A second centralizing force was demographic. Frey argues that the characteristics and size of the cohort entering the labor market in a given period influences the country's response to current economic conditions. Contrast the oversized, highly-educated baby boom cohort looking for work in the 1970's with the smaller, less well-educated baby bust cohort looking for a job from the mid-1980's through the mid-1990's. For the college-educated boomer, competition for good jobs and housing was fierce in the 1970's and urban life was increasingly expensive. The opportunity costs of moving to a nonmetro area were relatively small. In contrast, the current cohort of young adults is not only smaller, but a smaller proportion of them are college-educated. Competition among labor market newcomers for the better-paying metro jobs is not as strong and urban housing prices are no longer rising, making urban areas more economically attractive for the highly educated.

The centralization of the economy is likely to have a strong influence on the age structure of the rural economy, especially in view of the continued urban-to-rural migration of older people noted by Glasgow. The issue of age structure arose in several areas of concern: human capital resources, labor force, and migration (Teixeira; Lichter; Roseman).

Disentangling the factors tending to centralize the U.S. economy and population will be difficult and will undoubtedly benefit from international comparisons as well as analyses over time. The decade of the 1970's clearly illustrates the danger of drawing broad generalizations in a limited political and temporal context. At least one force acting to centralize the economy in the 1980's, military spending, has reversed the direction of its effect. Military spending tends to be urban spending, and while this spending tended to reinforce concentration tendencies during the military buildup of the 1980's, current reductions in military spending are having greater effects in urban areas. It is still unclear whether the urban finance, legal, and real estate industries, which expanded greatly in the 1980's, will have the same dominance in the coming decade.

Centralization trends have not been unique to the United States. Champion's review of distribution trends in developed countries shows that counterurbanization patterns of the 1970's were frequent but that the urbanization trends of the 1980's were less predictable. Patterns of change varied widely, both among and within countries. Agnew cites European studies that suggest complex patterns of urbanization and counterurbanization depending on infrastructure, regional roles in the world economy, and other factors. Christopherson argues that nations where universal access to services is given greater emphasis than in the United States should have less depopulation of more remote areas. Rigorous empirical international comparisons among industrialized countries have thus far been lacking, hampered in part by insufficient comparability of definitions of rural and urban.

Settlement Patterns

The emerging form of the new economy appears to be one of small organizations with flexible production schedules and variable output, closely linked to suppliers and buyers through a web of networks. Large firms adapted to oligopolistic market positions, with multiple branch plants and fixed production schedules, have been vulnerable in more competitive environments and have struggled to change. It is as yet unclear how rapid and pervasive this shift in organizational form will be. It may affect only a few firms or a few sectors, or it may pervade the economy.

Two forms of spatial organization have been identified with the expanding organizational form. First, suburbs in major metropolitan areas, rather than simply relating to the central city and absorbing some of its functions, have themselves become more highly interrelated. The economic activity of some suburban areas has coalesced, creating thriving suburban "city" centers. Many

major metropolitan areas are becoming networks of cities rather than hubs with spokes. The Washington-Baltimore metropolitan area is one example of this type of development. This form of spatial organization is captured to some degree in Alonzo's imagery of suburban nodes, stretching out into "archipelagos" of population activity with the kind of shadings found on a topographic map to denote levels of urbanization.

Christopherson reminds us again to look at political as well as economic context. She describes an explosion of production and consumption activity in the suburbs in more political than organizational terms. In her scenario, the growth of suburban cities represents a move from more regulated urban space to less regulated suburban space, and these suburban cities constitute agglomerations oriented around the most profitable market segments.

Our understanding of these emerging networks and their implications for rural areas is limited. Little empirical attention has yet to be paid to these emerging networks, perhaps in part because our data bases are not developed to identify these suburban satellite systems. Data on interrelationships among places is generally limited to information on industrial specialization or commuting, neither of which necessarily reflects accurately the exchange of business information, product, or financial resources. Some of these networks, in the Washington area in particular, were built up at a time of expansion in defense industries. It is difficult to predict whether these forces will continue to operate in the coming decade.

The second spatial form, not discussed in depth at the conference, is the industrial district. This form was derived from analyses of the Emilio-Romagno district of Italy, where networks of small manufacturers and service industries form cooperative ventures to produce highly specialized products, particularly textiles (Piore and Sable, 1984). Although also based around networks of small companies, the industrial district differs from the satellite city network model in several ways. First, although densely settled and having population nodes, the district is not necessarily organized around a major center. Second, although firms sell in highly volatile, competitive markets, the industries are not necessarily high-tech nor do they require a highly skilled labor force. Farm residents needing off-farm work constitute an important segment of the Emilio-Romagno manufacturing labor force.

While the satellite city model has several examples both in the United States and in other industrialized nations, the industrial district model may be more rare, as current examples appear to be largely limited to the Emilio-Romagno region and surrounding area and, possibly, Portugal, Japan, and Denmark (Malecki, 1991). Some parts of North and South Carolina, however, may have a sufficient geographic density, without major nodes, to develop into this type of district.

The immediate issue for demographers, however, is less the extent to which the new forms of spatial organization exist than whether the current building blocks and connectors for analyzing settlement patterns are adequate for capturing these and other possible forms of spatial organization. One basic question that needs to be addressed, for instance, is whether place networks involve nonmetropolitan areas and populations either as part of a metropolitan-satellite-city-system or as an industrial-district type of system that may be entirely nonmetropolitan.

Some advance has been made in this direction in the identification of commuting zones by Killian and Parker (1991).³ These are geographic units composed of one or more counties on the basis

³ This work evolved from the multi-university-ERS collaborative project to develop multicounty labor market areas for the entire country using cross-county commuting data from the 1980 Census (Tolbert and Killian, 1987). The original labor market delineation had a 100,000 minimum population criterion, which made some of the more rural area markets unrealistically large. The commuting zones relaxed that criterion and are more reflective of actual labor markets.

of intercounty commuting flows. Nonmetropolitan counties which have some interrelationship can be identified and for the first time one can talk of size of labor market in rural areas, not just size of place or size of county. Out of the human capital workgroup discussions, Ranney reports two research questions that were based on the size of labor markets--the optimum size for business services and the optimum for dual-career families. It may also be possible with commuting zones to identify nonmetropolitan counties which are part of satellite city networks.

Commuting, which is the major basis for the delineation of metropolitan areas as well, reflects only one aspect of connectedness among places and areas. The network models refer to communication and other relationships among enterprises rather than commuting by workers. The degree to which spatial patterns of organizational networks are coincident with and measurable by commuting patterns is unclear. Historically, we have used size of place or metropolitan area to reflect size of local economy. This may become less adequate to the extent that networks of places may form closely bound economic systems without affecting residential patterns and commuting in a characteristic way.

Rural Social Context

While the economic experience of the 1980's made it newly clear that rurality--in the demographic sense of thin and remote settlement--has implications for the types of economic activities undertaken, the relevance of rurality for social behavior remains obscure. Discussion of social convergence at the conference focused on family structure and attitudes, without coming to a consensus.

Rogers reported finding very little rural-urban difference remaining in several family indicators, including family size, living arrangements, age and number of siblings, and types of child-care arrangements. Heaton found virtually no metro-nonmetro difference in attitudes about families and children. He maintained that the modest size of differences in family structure and the lack of difference in attitudes suggests that the contribution of rural studies is toward understanding society as a whole and should be approached in that context.

Others expressed some caution about interpreting these findings. For instance, the traditional, married-couple-with-children family is increasingly rare in both metro and nonmetro areas, and there was some convergence in the past decade. But Lichter noted in discussion that the speed with which family structures were changing may indicate that something different is going on in nonmetro areas. In the absence of an understanding of the roots of the change, convergence should not be presumed.

Fuguitt also warned against the assumption of convergence without looking more deeply into underlying trends. He used as an example the work he and his colleagues did on the apparent convergence of metro-nonmetro fertility levels (Fuguitt and others, 1991). In breaking fertility patterns down by age, however, they found that the fertility of younger nonmetro women is higher than for their metro counterparts, while for older women the reverse is true. The "catch-up" childbearing among baby boom women was almost exclusively a metro phenomenon. Within these age groups, there was actually divergence, with the change for both groups coming from the metro side. The age-specific patterns of divergence in opposite directions was masked by convergence in the overall trend.

The issue of social convergence cannot be resolved without a further understanding of what the bases of rural-urban differences might be. Remaining rural-urban family differences may reflect cultural vestiges of an agrarian rural society, rural-urban differences in socioeconomic and

industrial makeup, contextual effects due to this makeup (the relative availability of jobs for men and women, for example), and/or adaptations to the sparseness and remoteness of rural settlement. The last two more spatial aspects have been largely neglected theoretically, leaving rural demography without adequate explanation for some findings and without a basis for generating new hypotheses about how locality influences demographic behavior. As Tickamyer sees it, the usual rural-urban approaches are valuable for descriptions of variation, but less satisfactory as explanations for why rural differs from urban or how they are connected. Her recommendation is to incorporate the reconceptualization of space emerging from the critical geography literature.

Conclusions

It is difficult to find any social implications of a nonmetro "way of life" that are cultural. There may, nonetheless, be spatial implications. Focusing on nonmetro people as a class diverts attention from spatial organization issues more relevant to understanding what drives spatial inequality. Thus while many suggest that nonmetro is disappearing as an analytic variable, the past decade has made clear that remoteness and small size have continuing importance economically. The centralization of the 1980's was not simply a return to earlier patterns. Earlier trends were accompanied by increasing economic equality between nonmetro and metro areas, as well as social convergence. The globalization and industrial restructuring of the 1980's resulted in increasing nonmetro-metro disparities for the first time that we know of. This is part of a national trend toward increasing economic inequality. The inequality has a spatial component, not just of metro versus nonmetro, but of suburban versus all other types of places, and of newly developed regions versus all others types of regions. Placed in this context, metro-nonmetro and regional inequalities are parts of a larger post-industrial process that is widening the economic gap between specific groups.

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